DIRECTORY OF TOP 100 CHAINS

(Listed alphabetically)

Chain	Segment	Parent Company	Chain Headquarters	1990 Rankings		
				System-wide Sales	Sales per Unit	No. of Units
ARA Services/ARASERVE	Contract	ARA Services Inc.	Philadelphia, Pa.	13	81	13
Arby's	Sandwich	DWG Corp.	Atlanta, Ga.	17	73	14
Bakers Square	Family	Vicorp Inc.	Chicago, Ill.	79	35	76
Baskin-Robbins	Snack	Allied-Lyons PLC	Glendale, Calif.	40	98	15
Bennigan's	Dinner House	S&A Restaurant Corp.	Dallas, Texas	45	28	70
Big Boy	Family	Elias Bros. Restaurants Inc.	Warren, Mich.	20	54	26
Bob Evans Farms	Family	Bob Evans Farms Inc.*	Columbus, Ohio	57	40	62
Bonanza	Steak	Metromedia Co.	Dallas, Texas	39	53	43
Burger King	Sandwich	Grand Metropolitan PLC	Miami, Fla.	2	47	5
Canteen Corp.	Contract	TW Holdings Inc.*	Chicago, Ill.	12	62	21
Captain D's Seafood	Seafood	Shoney's Inc.*	Nashville, Tenn.	50	74	36
Carl's Jr.	Sandwich	Carl Karcher Ent. Inc.*	Anaheim, Calif.	33	45	39
Chick-fil-A	Chicken	Chick-fil-A Inc.	Atlanta, Ga.	71	75	51
Chili's Grill & Bar	Dinner House	Chili's Inc.**	Dallas, Texas	43	26	65
Chi-Chi's	Dinner House	Foodmaker Inc.	Louisville, Ky.	46	20	69
Church's Fried Chicken	Chicken	Al Copeland Ent.	Jefferson, La.	37	88	25
Concession Air	Contract	Delaware North Cos.	Buffalo, N.Y.	94	8	94
Cracker Barrel	Family	Cracker Barrel Old Country Store Inc.*	Lebanon, Tenn.	77	17	8
Dairy Queen	Sandwich	American Dairy Queen Corp.	Minneapolis, Minn.	10	91	8
Daka	Contract	Daka Int'l Inc.*	Wakefield, Mass.	90	83	52
Del Taco	Sandwich	Del Taco Inc.	Costa Mesa, Calif.	97	84	55
Denny's	Family	TW Holdings Inc.*	Irvine, Calif.	14	44	24
Disney theme parks and hotels	Theme park	Walt Disney Co.*	Burbank, Calif.	32	1	100
Dobbs Houses	Contract	Greyhound Dial Corp.	Memphis, Tenn.	93	80	56
Dobbs International	Contract	Greyhound Dial Corp.	Memphis, Tenn.	72	7	93
Domino's Pizza	Pizza	Domino's Pizza Inc.	Ann Arbor, Mich.	7	85	4
Dunkin' Donuts	Snack	Allied-Lyons PLC	Randolph, Mass.	25	86	18
El Pollo Loco	Chicken	TW Holdings Inc.*	Irvine, Calif.	92	52	67
El Torito	Dinner House	Restaurant Ent. Group Inc.	Irvine, Calif.	86	24	87
Friendly's Restaurants	Family	Tennessee Restaurant Co.	Wilbraham, Mass.	35	69	30
Furr's Cafeterias	Cafeteria	Furr's/Bishop's Cafeterias*	Lubbock, Texas	81	30	85
Godfather's Pizza	Pizza	Godfather's Pizza Inc.	Omaha, Neb.	83	87	42
Golden Corral	Steak	Investors Mgt. Corp.	Raleigh, N.C.	49	59	48
Ground Round	Dinner House	International Proteins Corp.*	So. Weymouth, Mass.	73	37	7
Hardee's	Sandwich	Imasco Ltd.	Rocky Mount, N.C.	4	58	9
Harry M. Stevens	Contract	Harry M. Stevens Inc.	Cranbury, N.J.	78	6	96
Hilton Hotels	Hotel	Hilton Hotels Corp.*	Beverly Hills, Calif.	21	9	61
Holiday Inns	Hotel	Bass PLC	Memphis, Tenn.	36	94	22
Host International	Contract	Marriott Corp.*	Washington, D.C.	31	49	38
Houlihan's	Dinner House	Gilbert/Robinson Inc.	Kansas City, Mo.	91	13	91
Hyatt Hotels	Hotel	Hyatt Hotels Corp.	Chicago, Ill.	52	10	86
Int'l House of Pancakes	Family	IHOP Corp.	North Hollywood, Calif.	53	66	44
Jack in the Box	Sandwich	Foodmaker Inc.	San Diego, Calif.	23	48	27
K mart	In-store	K mart Corp.*	Troy, Mich.	61	99	19
Kentucky Fried Chicken	Chicken	PepsiCo Inc.*	Louisville, Ky.	5	77	7
Krystal	Sandwich	The Krystal Co.	Chattanooga, Tenn.	98	63	66
Little Caesars Pizza	Pizza	Little Caesar Enterprises Inc.	Detroit, Mich.	11	90	12
Long John Silver's	Fish	Jerrico Inc.*	Lexington, Ky.	27	82	23
Luby's Cafeteria	Cafeteria	Luby's Cafeterias Inc.*	San Antonio, Texas	65	21	84
Marie Callender's	Family	Wilshire Restaurant Group	Orange, Calif	84	34	78
Marriott Food and Services Mgt.	Contract	Marriott Corp.*	Washington, D.C.	9	50	1
Marriott Hotels & Resorts	Hotel	Marriott Corp.*	Washington, D.C.	18	12	57
Marriott In-Flite	Contract	Caterair International	Potomac, Md.	30	3	95
McDonald's	Sandwich	McDonald's Corp.*	Oak Brook, Ill.	1	33	1
Morrison Custom Management	Contract	Morrison Inc.*	Mobile, Ala.	54	89	29
Morrison's	Cafeteria	Morrison Inc.*	Mobile, Ala.	68	31	75
Ogden Allied Entertainment Services	Contract	Ogden Corp.*	New York, N.Y.	82	22	8
Olive Garden	Dinner House	General Mills Inc.*	Miami, Fla.	34	18	64
Perkins Family Restaurants	Family	Tennessee Restaurant Co.	Memphis, Tenn.	47	41	5
Piccadilly	Cafeteria	Piccadilly Cafeterias Inc.*	Baton Rouge, La.	66	25	80
Pizza Hut	Pizza	PepsiCo Inc.*	Wichita, Kan.	3	78	2
Ponderosa	Steak	Metromedia Co.	Dayton, Ohio	29	55	33
Popeye's Chicken	Chicken	Al Copeland Ent.erprises	Jefferson, La.	38	68	31
Quincy's	Steak	TW Holdings Inc.*	Spartanburg, S.C.	74	42	71
Radisson Hotels	Hotel	Carlson Cos.	Minneapolis, Minn.	59	29	74
Rally's	Sandwich	Rally's Inc.*	Louisville, Ky.	96	61	59
Ramada Inn	Hotel	Blackstone Capital Partners	Fairfield, N.J.	64	71	50
Rax	Sandwich	Rax Restaurants Inc.*	Columbus, Ohio	60	72	45
Red Lobster	Dinner House	General Mills Inc.*	Miami, Fla.	15	15	46
Round Table Pizza	Pizza	Round Table Franchise Corp.	San Francisco, Calif.	67	95	40
Roy Rogers	Sandwich	Imasco Ltd.	Bethesda, Md.	42	51	35
Ruby Tuesday	Dinner House	Morrison Inc.*	Mobile, Ala.	99	32	83
Ryan's	Steak	Ryan's Family Steak Houses Inc.*	Greer, S.C.	58	23	81
Sbarro	Pizza	Sbarro Inc.*	Commack, N.Y.	80	79	49
Seiler Corp.	Contract	Sodexho Corp.	Waltham, Mass.	55	56	54
Service America	Contract	Servam Inc.	Stamford, Conn.	16	67	20
ServiceMaster Food Services	Contract	ServiceMaster L.P.	Downers Grove, Ill.	76	57	6
7-Eleven	C-store	Southland Corp.	Dallas, Texas	28	100	3
Shakey's	Pizza	Inno-Pacific Holdings	So. San Francis-co, Calif.	95	76	72
Sheraton Hotels	Hotel	ITT Corp.*	Boston, Mass.	22	14	58
Shoney's	Family	Shoney's Inc.*	Nashville, Tenn.	24	36	32
Six Flags amusement parks	Theme park	Six Flags Corp.	Arlington, Texas	100	2	99
Sizzler	Steak	Sizzler Restaurants Int'l Inc.*	Los Angeles, Calif.	26	39	37
Sky Chefs	Contract	Onex Corp.	Arlington, Texas	48	4	97
Sonic Drive-in	Sandwich	Sonic Industries, Inc.	Oklahoma City, Ok.	51	92	28
Sportservice	Contract	Delaware North Cos.	Buffalo, N.Y.	89	16	92
Steak and Ale	Dinner House	S&A Restaurant Corp.	Dallas, Texas	87	38	79
Stuart Anderson's Black Angus	Dinner House	American Restaurant Group	Los Altos, Calif.	88	19	9
Subway	Sandwich	Doctor's Asso. Inc.	Milford, Conn.	19	96	6
Taco Bell	Sandwich	PepsiCo Inc.*	Irvine, Calif.	8	65	11
TCBY	Snack	TCBY Ent. Inc.*	Little Rock, Ark.	56	97	17
Tony Roma's	Dinner House	Roma Corp.	Dallas, Texas	62	27	82
T.G.I. Friday's	Dinner House	Carlson Cos.	Dallas, Texas	41	11	77
Village Inn	Family	Vicorp Inc.	Denver, Colo.	85	46	68
Waffle House	Family	Waffle House Inc.	Norcross, Ga.	75	93	34
Wendy's	Sandwich	Wendy's Int'l. Inc.*	Dublin, Ohio	6	64	10
Western Sizzlin'	Steak	Intermark/Triton Group	Dallas, Texas	44	60	41
Westin Hotels	Hotel	Aoki Corp.	Seattle, Wash.	70	5	98
Whataburger	Sandwich	Whataburger Inc.	Corpus Christi, Texas	63	70	47
White Castle	Sandwich	White Castle System Inc.	Columbus, Ohio	69	43	63

Welcome to NRN's Top 100

by Richard Martin
NRN Top 100 Project Director

The 1990 Nation's Restaurant News Top 100 report represents the most reliable and most graphic appraisal of sales, growth and change in the U.S. foodservice industry.

Ranking the 100 leading foodservice chains and the 100 highest-grossing foodservice companies, NRN's Top 100 provides an incisive look at the competitive dynamics shaping the future of foodservice in America.

Top 100, the product of months of preparation and hundreds of man-hours of research and reporting, measures the evolutionary market shifts and spending trends that mirror the nation's volatile dining-out appetite.

Put in its broadest perspective, Top 100 paints a picture encompassing a realm of chains whose aggregate volumes equal nearly 37 percent of the entire U.S. foodservice industry's total estimated 1990 sales.

Chains represented in the report qualified for inclusion strictly on the projected magnitude of their domestic, systemwide food-and-beverage sales volumes for the fiscal year now in progress.

Companies qualified on the basis of their domestic, foodservice-generated corporate revenue for the current fiscal year.

Utilized extensively by industry leaders as a tool for planning and analysis, the annual Top 100 data are also disseminated widely through data bases and numerous media citations. Top 100 findings are validated each year by feedback from executives and analysts and by NRN's own confirmational measurements of prior years' projections.

Qualifying thresholds for this year's Top 100 were $201.7 million in sales, for chains, and $107.0 million in foodservice revenue, for companies.

Only those organizations whose volumes exceed those levels are included in the Top 100 statistical universe.

In addition to the basic sales-based rankings, Top 100 also ranks chains according to a variety of other criteria, including number of domestic units, sales per unit and the chains' share of the total Top 100 market volume.

The revenue-ranked Top 100 companies are also ranked based on the year-to-year growth rates of their foodservice revenue.

Chains are again ranked , in their respective market segments, against those direct competitors that also qualify for inclusion in the Top 100. Market-share rankings within each industry segment indicate the share of aggregate sales generated only by the Top 100 chains in that segment.

Additionally, the chains are ranked separately on the basis of the year-to-year growth rates of their systemwide sales, number of units, per-unit sales and franchise systems.

All statistical data for the NRN Top 100 were inputted and collated by Patrick Macaulay, Audrey Anderson and Joy Greene.

TOP 100 CHAINS RANKED BY U.S. SYSTEMWIDE FOODSERVICE SALES

1990 Rank	1989 Rank	Chain	Concept	Parent Company	Fiscal Year Ends	U.S. Systemwide Foodservice Sales (By Fiscal Year, In Millions)		
						Current	Last full	Prior
1	1	McDonald's	Sandwich	McDonald's Corp.*	Dec. '90	$12,835.0	$12,012.0	$11,380.0
2	2	Burger King	Sandwich	Grand Metropolitan PLC	Sept. '90	5,700.0	5,700.0	5,400.0
3	3	Pizza Hut	Pizza	PepsiCo Inc.*	Dec. '90	3,680.0	3,240.0	2,890.0
4	5	Hardee's[1]	Sandwich	Imasco Ltd.	Dec. '90	3,242.8	2,979.8	2,822.1
5	4	Kentucky Fried Chicken	Chicken	PepsiCo Inc.*	Dec. '90	3,162.1	3,000.0	2,900.0
6	6	Wendy's	Sandwich	Wendy's International Inc.*	Dec. '90	3,067.0	2,827.0	2,720.0
7	7	Domino's Pizza	Pizza	Domino's Pizza Inc.	Dec. '90	2,600.5	2,500.0	2,300.0
8	9	Taco Bell	Sandwich	PepsiCo Inc.*	Dec. '90	2,599.5	2,000.0	1,600.0
9	8	Marriott Food and Services Management	Contract	Marriott Corp.*	Dec. '90	2,350.0	2,120.0	1,880.0
10	10	Dairy Queen	Sandwich	American Dairy Queen Corp.	Nov. '90	1,980.0	1,938.0	1,839.0
11	17	Little Caesars Pizza	Pizza	Little Caesar Enterprises Inc.	Dec. '90	1,500.0	1,130.0	908.0
12	11	Canteen Corp.	Contract	TW Holdings Inc.*	Dec. '90	1,470.0	1,390.0	1,330.0
13	12	ARA Services/ARASERVE	Contract	ARA Services Inc.	Sept. '90	1,465.0	1,350.0	1,300.0
14	13	Denny's	Family	TW Holdings Inc.*	Dec. '90	1,451.4	1,346.9	1,267.9
15	14	Red Lobster	Dinner House	General Mills Inc.*	May '91	1,400.0	1,300.0	1,200.0
16	16	Service America	Contract	Servam Inc.	Mar. '91	1,360.0	1,170.0	1,060.0
17	15	Arby's	Sandwich	DWG Corp.	Dec. '90	1,285.0	1,219.0	1,099.0
18	18	Marriott Hotels & Resorts[2]	Hotel	Marriott Corp.*	Dec. '90	1,188.0	1,106.0	1,014.7
19	26	Subway	Sandwich	Doctor's Associates Inc.	Dec. '90	1,118.8	781.7	495.0
20	19	Big Boy	Family	Elias Bros. Restaurants Inc.	Dec. '90	1,100.0	1,000.0	994.0
21	20	Hilton Hotels[3]	Hotel	Hilton Hotels Corp.*	Dec. '90	1,013.8	921.1	945.1
22	21	Sheraton Hotels	Hotel	ITT Corp.*	Dec. '90	1,010.8	911.4	980.4
23	24	Jack in the Box	Sandwich	Foodmaker Inc.	Sept. '90	932.1	833.7	775.7
24	22	Shoney's	Family	Shoney's Inc.*	Oct. '90	927.0	862.4	798.6
25	27	Dunkin' Donuts	Snack	Allied-Lyons PLC	Dec. '90	875.0	768.3	680.6
26	23	Sizzler	Steak	Sizzler Restaurants International Inc.*	Apr. '91	864.3	845.6	748.6
27	25	Long John Silver's	Fish	Jerrico Inc.*	June '91	851.4	803.8	779.4
28	28	7-Eleven	C-store	Southland Corp.	Dec. '90	786.0	715.0	687.0
29	29	Ponderosa	Steak	Metromedia Co.	Feb. '91	707.1	694.0	696.0
30	32	Marriott In-Flite	Contract	Caterair International	Dec. '90	656.0	569.0	543.0
31	30	Host International	Contract	Marriott Corp.*	Dec. '90	638.0	609.0	525.0
32	39	Disney theme parks and hotels	Theme park	Walt Disney Co.*	Sept. '90	604.6	495.6	403.0
33	34	Carl's Jr.	Sandwich	Carl Karcher Enterprises Inc.*	Jan. '91	600.5	550.2	480.6
34	45	Olive Garden	Dinner House	General Mills Inc.*	May '91	599.5	450.0	300.0
35	33	Friendly's Restaurants	Family	Tennessee Restaurant Co.	Dec. '90	581.0	557.0	563.0
36	35	Holiday Inns[4]	Hotel	Bass PLC	Dec. '90	573.9	547.4	504.8
37	36	Church's Fried Chicken	Chicken	Al Copeland Enterprises	Oct. '90	567.0	530.0	405.5
38	37	Popeye's Chicken	Chicken	Al Copeland Enterprises	Oct. '90	561.0	525.0	485.0
39	38	Bonanza	Steak	Metromedia Co.	Feb. '91	514.6	520.2	575.2
40	40	Baskin-Robbins	Snack	Allied-Lyons PLC	Dec. '90	503.9	476.9	469.0
41	44	T.G.I. Friday's	Dinner House	Carlson Cos.	Dec. '90	502.0	460.0	412.0
42	31	Roy Rogers[5]	Sandwich	Imasco Ltd.	Dec. '90	500.0	584.0	566.0
43	48	Chili's Grill & Bar	Dinner House	Chili's Inc.**	June '91	488.0	410.0	332.0
44	42	Western Sizzlin'	Steak	Intermark/Triton Group	Dec. '90	484.8	465.0	448.0
45	41	Bennigan's	Dinner House	S&A Restaurant Corp.	June '91	475.0	471.0	458.7
46	46	Chi-Chi's	Dinner House	Foodmaker Inc.	Sept. '90	468.6	430.5	402.9
47	47	Perkins Family Restaurants	Family	Tennessee Restaurant Co.	Dec. '90	457.0	423.0	375.0
48	49	Sky Chefs	Contract	Onex Corp.	Dec. '90	449.0	403.0	377.0
49	43	Golden Corral	Steak	Investors Management Corp.	Dec. '90	435.0	464.8	455.6
50	50	Captain D's Seafood	Seafood	Shoney's Inc.*	Oct. '90	415.3	392.5	366.8

Source: NRN Research.

*Denotes publicly held company

EXPLANATION OF COLUMN HEADINGS

- **Rank:** The Top 100 chains are ranked by current-year systemwide sales, the sales of all franchised and company-operated restaurants. The last-year ranking is based on revised data for the prior fiscal year. Because of adjustments to previous years' figures, the numbers may not match the amounts listed on the 1989 Top 100 listing.

- **Chain:** The name of the restaurant, hotel or contract-feeding operation, as it appears on signage and trademarks.

- **Concept:** Type of restaurant operated by the chain, as defined by the signature menu item or style of service.

- **Parent company:** The business entity that owns a chain's trademarks, licensing rights and copyright. The term is often synonymous with franchisor.

- **Systemwide sales:** Domestic food-service sales of all company-operated and franchised restaurants within a chain. Figures for concessionaires and in-store feeders exclude all retail sales except foodservice intake.

- **Source:** Data was gathered by NRN's editorial staff from franchisors, franchisees, financial analysts, data banks and other reliable sources. In instances where current figures were not available, historical information was used to project or estimate sales.

TOP 100 CHAINS RANKED BY U.S. SYSTEMWIDE FOODSERVICE SALES

1990 Rank	1989 Rank	Chain	Concept	Parent Company	Fiscal Year Ends	U.S. Systemwide Foodservice Sales (By Fiscal Year, In Millions)		
						Current	Last full	Prior
51	51	Sonic Drive-in	Sandwich	Sonic Industries, Inc.	Aug. '90	$ 410.0	$ 390.2	$ 345.5
52	54	Hyatt Hotels	Hotel	Hyatt Hotels Corp.	Jan. '91	401.4	353.9	304.8
53	53	International House of Pancakes	Family	IHOP Corp.	Dec. '90	398.0	359.0	315.0
54	52	Morrison Custom Management	Contract	Morrison Inc.*	May '91	397.0	384.0	343.0
55	55	Seiler Corp.	Contract	Sodexho Corp.	Aug. '90	392.1	350.0	306.0
56	61	TCBY	Snack	TCBY Enterprises Inc.*	Nov. '90	377.2	295.4	207.4
57	58	Bob Evans Farms	Family	Bob Evans Farms Inc.*	Apr. '91	359.8	322.3	293.5
58	63	Ryan's	Steak	Ryan's Family Steak Houses Inc.*	Dec. '90	350.0	295.0	234.0
59	69	Radisson Hotels	Hotel	Carlson Cos.	Dec. '90	345.0	278.0	216.0
60	56	Rax	Sandwich	Rax Restaurants Inc.*	July '91	339.4	330.8	327.0
61	59	K mart	In-store	K mart Corp.*	Jan. '91	325.0	320.0	314.0
62	75	Tony Roma's	Dinner House	Roma Corp.	Feb. '91	318.2	257.4	219.1
63	60	Whataburger	Sandwich	Whataburger Inc.	Sept. '90	318.0	300.0	273.2
64	57	Ramada Inn [6]	Hotel	Blackstone Capital Partners L.P.	Dec. '90	317.9	328.2	314.4
65	67	Luby's Cafeteria	Cafeteria	Luby's Cafeterias Inc.*	Aug. '90	315.5	283.3	254.3
66	65	Piccadilly	Cafeteria	Piccadilly Cafeterias Inc.*	June '91	314.5	290.0	276.0
67	62	Round Table Pizza	Pizza	Round Table Franchise Corp.	June '91	311.0	295.0	267.0
68	64	Morrison's	Cafeteria	Morrison Inc.*	May '91	300.0	292.0	296.0
69	68	White Castle	Sandwich	White Castle System Inc.	Dec. '90	297.3	278.5	282.7
70	66	Westin Hotels	Hotel	Aoki Corp.	Dec. '90	297.2	285.6	266.1
71	72	Chick-fil-A	Chicken	Chick-fil-A Inc.	Dec. '90	296.0	263.8	232.2
72	70	Dobbs International	Contract	Greyhound Dial Corp.	Dec. '90	293.0	277.0	261.0
73	74	Ground Round	Dinner House	International Proteins Corp.*	Dec. '90	290.0	262.7	248.1
74	73	Quincy's	Steak	TW Holdings Inc.*	Dec. '90	287.0	263.0	251.0
75	71	Waffle House	Family	Waffle House Inc.	June '91	274.0	270.5	256.7
76	76	ServiceMaster Food Services	Contract	ServiceMaster L.P.	Dec. '90	273.0	241.0	208.0
77	87	Cracker Barrel	Family	Cracker Barrel Old Country Store Inc.*	Aug. '91	265.0	215.0	169.5
78	81	Harry M. Stevens	Contract	Harry M. Stevens Inc.	Dec. '90	258.0	227.6	216.4
79	85	Bakers Square	Family	Vicorp Inc.	Oct. '90	250.5	216.8	189.4
80	94	Sbarro	Pizza	Sbarro Inc.*	Dec. '90	249.5	196.0	154.0
81	79	Furr's Cafeterias	Cafeteria	Furr's/Bishop's Cafeterias L.P.*	Dec. '90	245.5	230.0	215.0
82	82	Ogden Allied Entertainment Services	Contract	Ogden Corp.*	Dec. '90	244.5	224.0	206.0
83	77	Godfather's Pizza	Pizza	Godfather's Pizza Inc.	May '91	240.5	236.0	245.0
84	80	Marie Callender's	Family	Wilshire Restaurant Group	Dec. '90	240.0	230.0	210.0
85	78	Village Inn	Family	Vicorp Inc.	Oct. '90	239.5	234.6	229.7
86	84	El Torito	Dinner House	Restaurant Enterprises Group Inc.	Dec. '90	231.8	218.1	214.8
87	83	Steak and Ale	Dinner House	S&A Restaurant Corp.	June '91	230.0	223.8	214.4
88	86	Stuart Anderson's Black Angus	Dinner House	American Restaurant Group	Dec. '90	228.0	216.0	203.8
89	89	Sportservice	Contract	Delaware North Cos.	Dec. '90	226.7	209.0	193.0
90	88	Daka	Contract	Daka International Inc.*	June '91	226.0	210.0	210.0
91	96	Houlihan's	Dinner House	Gilbert/Robinson Inc.	Dec. '90	222.7	190.2	179.6
92	99	El Pollo Loco	Chicken	TW Holdings Inc.*	Dec. '90	220.0	168.0	121.0
93	92	Dobbs Houses	Contract	Greyhound Dial Corp.	Dec. '90	217.0	197.0	205.0
94	95	Concession Air	Contract	Delaware North Cos.	Dec. '90	212.0	195.3	178.5
95	91	Shakey's	Pizza	Inno-Pacific Holdings	Dec. '90	211.0	202.5	191.0
96	100	Rally's	Sandwich	Rally's Inc.*	June '91	210.6	155.4	102.2
97	90	Del Taco[7]	Sandwich	Del Taco Inc.	Dec. '90	210.0	205.0	200.0
98	97	Krystal	Sandwich	The Krystal Co.	Dec. '90	204.5	188.3	178.2
99	98	Ruby Tuesday	Dinner House	Morrison Inc.*	May '91	203.5	173.5	125.8
100	93	Six Flags amusement parks[8]	Theme park	Six Flags Corp.	Dec. '90	201.7	196.9	184.2
		TOTAL:				$87,683.3	$80,625.4	$74,587.7

Source: NRN Research.

*Denotes publicly held company

FOOTNOTES

[1] Sales from Roy Rogers, which Hardee's Food Systems acquired in April 1990, are not included. It also does not include projected sales from the 250-300 Roy Rogers units that were expected to be converted to Hardee's units by the end of 1990.

[2] Includes food and beverage revenues for Marriott Hotels, Marriot resorts, Marriott Suites and Courtyard by Marriott hotels

[3] Hilton's sytemwide sales tallies include food and beverage revenues of domestic casinos.

[4] Holiday is in the process of switching to the October-through-September fiscal year of its new parent, Bass PLC, which acquired the chain's domestic operations several months ago.

[5] Roy Rogers was acquired by Hardee's Food Systems in April 1990. Declining sales figures at Roy Rogers reflect the fact that Hardee's expected to convert from 250-300 Roy Rogers units to Hardee's units by the end of the year.

[6] Blackstone Capital Partners recently acquired Ramada's domestic franchise rights from Prime Motor, which acquired those rights from New World Holdings in 1989

[7] Del Taco's current systemwide sales figure comprises sales in the 283 California outlets owned or franchised by Del Taco Inc., Costa Mesa, Calif., and in the 110 outlets outside California that are owned or franchised by its licensee, Del Taco Restaurants Inc., Atlanta. The Atlanta company, principally owned by W.R. Grace & Co., New York, is being sold to Taco Tico Inc. of Wichita, Kan.

[8] Includes revenues from some on-site games.

TOP 100 COMPANIES RANKED BY U.S. FOODSERVICE REVENUE

Rank 1990	Rank 1989	Company	Concepts	Fiscal Year Ends	U.S. Food & Beverage Revenue (By Fiscal Year, In Millions)		
					Current	Last Full	Prior
1	2	PepsiCo Inc.*	Pizza Hut, Taco Bell, Kentucky Fried Chicken	Dec. '90	$ 5,555.0	$ 4,684.8	$ 3,950.3
2	1	Marriott Corp.*[1]	Marriott hotels, contract feeding, Host International	Dec. '90	4,927.3	5,342.3	5,082.0
3	3	McDonald's Corp.*	McDonald's	Dec. '90	4,048.0	3,923.0	3,716.0
4	4	TW Holdings Inc.*	Denny's, Hardee's, Quincy's, El Pollo Loco, Canteen Corp.	Dec. '90	3,700.0	3,500.0	3,300.0
5	5	General Mills Inc.*	Red Lobster, Olive Garden	May '91	2,000.0	1,750.0	1,520.0
6	6	ARA Services Inc.	ARASERVE, ARA Leisure Services	Sept. '90	1,709.0	1,577.0	1,451.0
7	7	Servam Inc.	Service America Food Service	Mar. '91	1,360.0	1,170.0	1,060.0
8	10	Imasco Ltd.[10]	Hardee's, Roy Rogers	Dec. '90	1,295.0	985.9	947.5
9	8	Wendy's International Inc.*	Wendy's	Dec. '90	1,128.0	1,120.0	1,060.0
10	9	Foodmaker Inc.	Jack in the Box, Chi-Chi's	Sept. '90	1,100.0	1,025.0	832.0
11	11	Carlson Cos.	T.G.I. Friday's, Dalt's, Radisson Hotels, Country Kitchen	Dec. '90	1,040.0	922.0	801.4
12	12	Morrison Inc.*	Morrison's cafeterias, contract feeding, Ruby Tuesday	May '91	1,025.0	900.5	829.2
13	13	Restaurant Enterprises Group Inc.	El Torito, Casa Gallardo, Carrow's, Coco's, Reuben's	Dec. '90	900.0	887.5	889.2
14	14	Grand Metropolitan PLC[2]	Burger King	Sept. '90	815.0	810.0	781.0
15	17	Tennessee Restaurant Co.	Perkins Family Restaurants, Friendly Ice Cream	Dec. '90	779.0	726.0	713.0
16	16	Shoney's Inc.*	Shoney's, Lee's Famous Recipe Chicken, Captain D's	Oct. '90	775.3	739.4	691.2
17	15	Greyhound Dial Corp.	Dobbs International, Greyhound Food Mgmt., Burger King	Dec. '90	770.0	764.0	786.0
18	19	Domino's Pizza Inc.	Domino's Pizza	Dec. '90	733.0	638.0	577.0
19	18	S&A Restaurant Corp.	Bennigan's, Steak and Ale	June '91	705.0	694.8	673.1
20	100	Caterair International	Marriott In-flite	Dec. '90	656.0	0.0	0.0
21	20	Jerrico Inc.*	Long John Silver's	June '91	608.6	588.7	574.9
22	22	Walt Disney Co.*	Disney theme parks, hotels	Sept. '90	604.6	495.6	408.0
23	25	Collins Foods International Inc.*	Sizzler, Kentucky Fried Chicken	April '91	509.6	463.6	457.1
24	26	Sodexho	The Seiler Corp., Boatel, Food Dimensions Inc.	Aug. '90	503.1	462.0	404.0
25	42	Al Copeland Investments	Popeye's, Church's, Copeland's, Super Popeye's	Dec. '90	499.0	307.0	40.0
26	24	Carl Karcher Enterprises*	Carl's Jr.	Jan. '91	495.0	473.3	414.6
27	28	Onex Corp.	Sky Chefs, Southwest Dining Services	Dec. '90	462.0	417.0	381.0
28	27	American Restaurant Group Inc.	Stuart Anderson's, Grandy's, Spoons, Spectrum Foods	Dec. '90	449.0	437.3	419.2
29	21	Southland Corp.	7-Eleven, Hyde's	Dec. '90	443.0	525.0	499.0
30	30	Delaware North Cos.	Concession Air. Sportservice	Dec. '90	439.0	404.0	372.0
31	23	Investors Management Corp.	Golden Corral, Oh! Brian's, Church's Chicken	Dec. '90	433.5	481.0	470.0
32	29	Metromedia Co.	Ponderosa Steakhouses, Bonanza Family Restaurants	Feb. '91	432.9	406.5	417.0
33	37	Little Caesars Enterprises Inc.	Little Caesars Pizza	Dec. '90	430.0	347.0	259.0
34	36	Chili's Inc.*	Chili's, Regas Grill, Romano's Macaroni Grill	June '91	425.0	347.0	286.0
35	32	Ogden Corp.*	Ogden Allied entertainment, leisure, aviation services	Dec. '90	408.0	379.4	359.0
36	31	Daka International*	Daka contract food services, Fuddruckers	June '91	405.0	390.0	370.0
37	35	Hyatt Hotels Corp.	Hyatt hotels, resorts	Jan. '91	401.4	353.9	304.8
38	33	Vicorp Restaurants Inc.	Bakers Square, Village Inn	Oct. '90	400.0	362.6	334.6
39	34	IHOP Corp.	International House of Pancakes, Owens Family Restaurants	Dec. '90	398.0	359.0	315.0
40	38	Bob Evans Farms Inc.*	Bob Evans Restaurants	April '91	359.8	322.3	293.5
41	40	Piccadilly Cafeterias Inc.*	Piccadilly Cafeterias	June '91	350.0	315.0	276.2
42	43	Boddie-Noell Enterprises Inc.	Hardee's, Skats	Sept. '90	329.0	305.0	295.0
43	39	K mart Corp.*	K mart cafeterias, K mart deli and snacks	Jan. '91	325.0	320.0	314.0
44	41	Sizzler Restaurants International Inc.*	Sizzler Steak Seafood & Salad, Sizzler Buffet Court	Apr. '91	321.1	307.6	265.6
45	47	Gilbert/Robinson Inc.	Houlihan's, Darryl's	Dec. '90	315.1	282.4	266.5
46	46	Luby's Cafeterias Inc.*	Luby's Cafeterias	Aug. '90	314.9	283.3	254.3
47	44	Furr's/Bishop's Cafeterias L.P.*	Furr's Cafeteria's, Bishop's Cafeterias	Dec. '90	300.0	286.0	271.0
48	49	ITT Corp.*	Sheraton Hotels	Dec. '90	299.4	264.5	256.5
49	48	White Castle System Inc.	White Castle	Dec. '90	297.3	278.4	282.7
50	45	Aoki Corp.	Westin Hotels	Dec. '90	297.2	285.6	266.1

Source: NRN Research.

* Represents publicly held companies.

EXPLANATION OF COLUMN HEADINGS

- **Rank:** The ranking is based on revenues for each company's domestic foodservice revenues for the current year in progress unless otherwise indicated. Only food-service revenues were included.

  The last full-year figure is based on revised data for that year. Because of adjustments, the numbers may not match the figures presented in last year's Top 100 listing.

- **Company:** The business entity that ultimately receives the specified food-service revenues.

- **Concepts:** The names of the chains or restaurants operated or franchised by the company. In some instances, the listed concept is the type of foodservice operation — contract feeding, for instance.

- **Revenue:** Domestically generated foodservice dollars collected by the company. Included are sales from company-operated operations; franchise fees; and proceeds from routine asset sales and divestitures. Excluded are the intake of franchised restaurants; revenues generated by manufacturing or wholesaling products; revenues generated by the sale of processed foods through supermarkets; distribution revenues; and revenues from foreign operations.

Note: Footnotes appear on page 52.

TOP 100 COMPANIES RANKED BY U.S. FOODSERVICE REVENUE

Rank 1990	Rank 1989	Company	Concepts	Fiscal Year Ends	U.S. Food & Beverage Revenue (By Fiscal Year, In Millions)		
					Current	Last Full	Prior
51	50	Chick-fil-A Inc.	Chick-fil-A	Dec. '90	$ 296.0	$ 263.8	$ 232.2
52	51	International Proteins Corp.*[3]	Ground Round	Dec. '90	290.0	262.7	248.1
53	52	Ryan's Family Steak Houses Inc.*	Ryan's Family Steak House	Dec. '90	285.7	253.0	212.0
54	55	ServiceMaster L.P.	ServiceMaster contract feeding	Dec. '90	273.0	241.0	208.0
55	56	Riese Organization	Houlihan's, T.G.I. Friday's, Charley O's, El Torito	April '90	260.0	240.0	142.0
56	60	Harry M. Stevens Inc.	Harry M. Stevens contract food services	Dec. '90	258.0	227.6	216.4
57	53	Elias Bros. Restaurants Inc.	Big Boy, Top Hat contracting	Dec. '90	256.0	250.0	225.0
58	58	Hilton Hotels Corp.*	Hilton hotels, casinos	Dec. '90	254.2	236.8	226.9
59	54	Nestle S.A. [4]	Stouffer Hotels, J.B. Winberie, Rusty Scupper	Dec. '90	250.2	244.7	234.2
60	57	TPI Enterprises	Shoney's, Captain D's	Dec. '90	250.0	238.0	224.0
61	59	Gardner Merchant Ltd.	Trusthouse Forte Food Services/Hotels, Travel Lodge	Jan. '91	246.0	229.0	209.0
62	98	Kyotaru Co. Ltd. [5]	Rest. Assoc.'s (Acapulco, etc.), Hungry Hunter, Arbys, Loves	Dec. '90	243.5	40.0	20.0
63	63	National Pizza Co.*	Pizza Hut, Skipper's Seafood	Mar. '91	235.0	198.4	141.8
64	66	RTM Inc.	Arby's, Mrs. Winner's Chicken & Biscuits	May '91	233.0	193.0	128.0
65	62	Whataburger Inc.	Whataburger	Sept. '90	218.4	212.6	210.3
66	68	DWG Corp.	Arby's Inc.	Dec. '90	208.2	181.7	170.8
67	61	Paragon Restaurant Group [6]	Carlos Murphy's, Rusty Pelican	Oct. '90	203.8	225.0	216.5
68	76	Sbarro Inc.*	Sbarro The Italian Eatery	Dec. '90	203.3	148.7	117.0
69	65	Specialty Restaurants Corp.	94th Aero Squadron, Baby Doe's, Crawdaddy's	July '91	202.0	194.0	187.0
70	64	Six Flags Corp. [7]	Six Flags amusement parks	Dec. '90	201.7	196.9	184.2
71	70	Abela Enterprises Inc.	Wood Co. contract food services	Dec. '90	198.5	172.7	119.4
72	74	Unigate Restaurants	Taco Bueno, Casa Bonita, Black-eyed Pea	Apr. '91	196.0	165.0	150.0
73	67	Krystal Shares Inc.	Krystal	Dec. '90	195.0	188.3	178.2
74	69	Wyatt Cafeterias Inc.	Wyatt Cafeterias	Dec. '90	187.2	176.3	175.3
75	73	ShowBiz Pizza Time Inc.*	Chuck E. Cheese's Pizza Time Theatre, ShowBiz Pizza	Dec. '90	175.0	167.0	151.0
76	71	Harman Management Corp.	Kentucky Fried Chicken	June '91	173.0	170.0	168.0
77	72	Woolworth Corp.*	Woolworth in-store, Burger King, Harvest House	Jan. '91	172.8	170.0	169.0
78	86	RPM Pizza Inc.	Domino's Pizza	Dec. '90	165.0	126.0	120.1
79	79	Carrols Corp.	Burger King	Dec. '90	159.0	145.5	133.5
80	78	Frisch's Restaurants Inc.*	Big Boy, Roy Rogers	June '91	154.0	147.0	147.0
81	99	Allied-Lyons PLC [8]	Baskin-Robbins, Dunkin' Donuts, Mister Donut	Dec. '90	150.7	24.5	23.5
82	84	Papa Gino's of America Inc.	Papa Gino's Pizza	Sept. '90	150.0	135.0	127.0
83	82	Chart House Enterprises Inc.*	The Chart House, Paradise Bakery	Dec. '90	149.9	139.6	146.3
84	80	Club Corp. of America Inc.	Private clubs and resorts	Dec. '90	149.8	140.0	128.0
85	77	Brown Derby Inc.	Brown Derby	May '91	149.7	148.5	148.5
86	81	Del Taco Inc.	Del Taco, Naugles	Dec. '90	145.0	140.0	135.0
87	75	Horn & Hardart Co.*	International King's Table, Burger King, Tony Roma's	Dec. '90	143.8	151.6	175.4
88	92	Buffets Inc.*	Old Country Buffet	Jan. '91	140.1	115.0	71.8
89	85	W.H. Braum Inc.	Braum's Ice Cream and Dairy Stores	Dec. '90	139.9	130.0	123.6
90	83	Promus Cos. [9]	Harrah's casinos	Dec. '90	134.6	139.1	132.5
91	87	Mrs. Fields Inc.	Mrs. Fields Cookies, La Petite Boulangerie	Dec. '90	130.1	120.1	115.0
92	88	Waffle House Inc.	Waffle House	June '90	130.0	120.0	110.0
93	89	Wilshire Restaurant Group	Marie Callender's	Dec. '90	129.0	119.0	108.0
94	90	Rax Restaurants Inc.*	Rax Restaurants, Zoomz Restaurants	July '91	124.7	117.5	114.3
95	94	JB's Restaurants Inc.*	JB's	Sept. '90	122.0	109.4	99.7
96	91	Pizza Management Inc.	Pizza Hut, Taco Bell, El Criollito	Dec. '90	121.0	117.0	100.0
97	93	Lyon's Restaurants Inc.	Lyon's Restaurants	June '91	120.0	110.0	102.0
98	95	Consolidated Products Inc.*	Steak 'n Shake, Jeremiah Sweeney's, Santini's	Sept. '90	113.7	108.7	101.1
99	97	Shato Holdings Ltd.	Winchell's Donut Houses, Rolling Pin Donuts	Mar. '91	113.6	41.2	–
100	96	Scott's Hospitality	Kentucky Fried Chicken, Manchu Wok	Dec. '90	107.0	105.0	102.0
		TOTAL:			$56,584.2	$51,646.1	$47,215.1

Source: NRN Research.

* Represents publicly held companies.

FOOTNOTES

[1] Current-year total includes projected revenues from Marriott's family restaurant operations, which the company is striving to divest. The 1989 and '90 figures include revenues from the in-flight catering operation that was sold to management in December 1989 and renamed Caterair. The figure also includes the revenues generated by Roy Rogers between January and April, when Marriott sold the sandwich chain to Imasco Ltd.

[2] Grand Metropolitan PLC completed its acquisition of Burger King in Jan. '89. "Prior-year" revenues were actually earned by BK's former parent company, Pillsbury Co.

[3] At press time, International Proteins Corp. announced that its name had changed to GR Foods Inc.

[4] Nestle S.A. has disclosed plans to divest its 65-unit Stouffer Restaurant Co., operator of such chains as Rusty Scupper, J.B. Winberie and Cheese Cellar. Figures presented here assume that a deal will not be consummated before the end of the current fiscal year.

[5] Kyotaru Co. Ltd.'s current-year revenue figure reflects its April purchase of Restaurant Associates Industries, New York, and includes a prorated, 9-month share of RA's estimated 1990 sales; Kyotaru's revenue also includes a prorted, 3-month share of the estimated 1990 sales of Paragon Steakhouse Restaurants Inc., which Kyotaru recently purchased from Paragon Restaurant Group, San Diego.

[6] Paragon Restaurant Group's current-year revenue figure reflects the recent sale its Paragon Steakhouse Restaurants subsidiary to Kyotaru Co. Ltd., and excludes a prorated, 3-month share of the subsidiary's estimated 1990 sales.

[7] Includes revenues from some on-site games.

[8] Allied-Lyons' current-year revenue figure reflects its purchases of Dunkin' Donuts, in Dec. '89, and Mister Donut, in March '90; the figure includes six months' sales from 17 Chili's units that Dunkin' intended to sell by Aug. '90.

[9] Promus' businesses formerly operated as components of Holiday Corp. Numbers for 1988 and '89 reflect of those holdings while they were part of Holiday, which has since been absorbed into Bass PLC.

[10] Includes a prorated share of company store sales and franchise fee revenues from the Roy Rogers chain, which Imasco subsidiary Hardee's Food Systems acquired in April 1990.

TOP 100 COMPANIES RANKED BY GROWTH IN U.S. FOODSERVICE REVENUE

1990 Rank	1989 Rank	Company	Fiscal Year Ends	Percentage Change '90 vs. '89	Percentage Change '89 vs. '88
1	71	Allied-Lyons PLC	Dec. '90	515.10%	4.26%
2	2	Kyotaru Co. Ltd.	Dec. '90	508.75	100.00
3	100	Shato Holdings Ltd.	Mar. '91	175.73	—
4	1	Al Copeland Investments	Dec. '90	62.54	667.50
5	9	Sbarro Inc.	Dec. '90	36.72	27.09
6	72	Imasco Ltd.	Dec. '90	31.35	4.05
7	66	RPM Pizza Inc.	Dec. '90	30.95	4.91
8	8	Little Caesars Enterprises Inc.	Dec. '90	23.92	33.98
9	12	Chili's Inc.	June '91	22.48	21.33
10	11	Walt Disney Co.	Sept. '90	21.99	21.47
11	4	Buffets Inc.	Jan. '91	21.74	60.17
12	5	RTM Inc.	May '91	20.73	50.78
13	32	Unigate Restaurants	Apr. '91	18.79	10.00
14	14	PepsiCo Inc.	Dec. '90	18.57	18.59
15	7	National Pizza Co.	Mar. '91	18.45	39.92
16	30	Servam Inc.	Mar. '91	16.24	10.38
17	6	Abela Enterprises Inc.	Dec. '90	14.94	44.64
18	29	Domino's Pizza Inc.	Dec. '90	14.89	10.57
19	49	DWG Corp.	Dec. '90	14.58	6.38
20	19	General Mills Inc.	May '91	14.29	15.13
21	42	Morrison Inc.	May '91	13.83	8.60
22	16	Hyatt Hotels Corp.	Jan. '91	13.42	16.11
23	63	Harry M. Stevens Inc.	Dec. '90	13.36	5.18
24	17	ServiceMaster L.P.	Dec. '90	13.28	15.87
25	79	ITT Corp.	Dec. '90	13.19	3.12
26	13	Ryan's Family Steak Houses Inc.	Dec. '90	12.92	19.34
27	20	Carlson Cos.	Dec. '90	12.80	15.05
28	25	Chick-fil-A Inc.	Dec. '90	12.21	13.61
29	33	Bob Evans Farms Inc.	April '91	11.64	9.81
30	53	Gilbert/Robinson Inc.	Dec. '90	11.54	5.97
31	34	JB's Restaurants Inc.	Sept. '90	11.52	9.73
32	26	Luby's Cafeterias Inc.	Aug. '90	11.19	11.40
33	50	Papa Gino's of America Inc.	Sept. '90	11.11	6.30
34	23	Piccadilly Cafeterias Inc.	June '91	11.11	14.05
35	24	IHOP Corp.	Dec. '90	10.86	13.97
36	36	Onex Corp.	Dec. '90	10.79	9.45
37	54	International Proteins Corp.	Dec. '90	10.39	5.88
38	43	Vicorp Restaurants Inc.	Oct. '90	10.31	8.37
39	86	Collins Foods International Inc.	April '91	9.92	1.42
40	39	Carrols Corp.	Dec. '90	9.28	8.99
41	44	Lyon's Restaurants Inc.	June '91	9.09	7.84
42	21	Sodexho	Aug. '90	8.90	14.36
43	41	Delaware North Cos.	Dec. '90	8.66	8.60
44	31	Wilshire Restaurant Group	Dec. '90	8.40	10.19
45	40	ARA Services Inc.	Sept. '90	8.37	8.68
46	3	Riese Organization	April '90	8.33	69.01
47	38	Waffle House Inc.	June '90	8.33	9.09
48	68	Mrs. Fields Inc.	Dec. '90	8.33	4.43
49	77	Boddie-Noell Enterprises Inc.	Sept. '90	7.87	3.39
50	62	W.H. Braum Inc.	Dec. '90	7.69	5.18
51	55	Ogden Corp.	Dec. '90	7.54	5.68
52	35	Gardner Merchant Ltd.	Jan. '91	7.42	9.57
53	97	Chart House Enterprises Inc.	Dec. '90	7.38	– 4.58
54	69	Hilton Hotels Corp.	Dec. '90	7.35	4.36
55	10	Foodmaker Inc.	Sept. '90	7.32	23.20
56	85	Tennessee Restaurant Co.	Dec. '90	7.30	1.82
57	37	Club Corp. of America Inc.	Dec. '90	7.00	9.38
58	94	White Castle System Inc.	Dec. '90	6.79	– 1.52
59	95	Metromedia Co.	Feb. '91	6.49	– 2.52
60	90	Wyatt Cafeterias Inc.	Dec. '90	6.18	0.57
61	81	Rax Restaurants Inc.	July '91	6.13	2.80
62	52	TW Holdings Inc.	Dec. '90	5.71	6.06
63	51	TPI Enterprises	Dec. '90	5.04	6.25
64	59	Furr's/Bishop's Cafeterias L.P.	Dec. '90	4.90	5.54
65	47	Shoney's Inc.	Oct. '90	4.86	6.97
66	28	ShowBiz Pizza Time Inc.	Dec. '90	4.79	10.60
67	92	Frisch's Restaurants Inc.	June '91	4.76	0.00
68	45	Consolidated Products Inc.	Sept. '90	4.60	7.52
69	22	Carl Karcher Enterprises	Jan. '91	4.58	14.16
70	18	Sizzler Restaurants Int'l Inc.	Apr. '91	4.39	15.81
71	74	Specialty Restaurants Corp.	July '91	4.12	3.74
72	46	Aoki Corp.	Dec. '90	4.06	7.33
73	60	Daka International	June '91	3.85	5.41
74	76	Del Taco Inc.	Dec. '90	3.57	3.70
75	56	Krystal Shares Inc.	Dec. '90	3.56	5.67
76	15	Pizza Management Inc.	Dec. '90	3.42	17.00
77	82	Jerrico Inc.	June '91	3.38	2.40
78	58	McDonald's Corp.	Dec. '90	3.19	5.57
79	88	Whataburger Inc.	Sept. '90	2.73	1.09
80	70	American Restaurant Group Inc.	Dec. '90	2.68	4.32
81	48	Six Flags Corp.	Dec. '90	2.44	6.89
82	27	Elias Bros. Restaurants Inc.	Dec. '90	2.40	11.11
83	67	Nestle S.A.	Dec. '90	2.25	4.48
84	80	Scott's Hospitality	Dec. '90	1.90	2.94
85	87	Harman Management Corp.	June '91	1.76	1.19
86	89	Woolworth Corp.	Jan. '91	1.65	0.59
87	84	K mart Corp.	Jan. '91	1.56	1.91
88	78	S&A Restaurant Corp.	June '91	1.47	3.22
89	93	Restaurant Enterprises Group Inc.	Dec. '90	1.41	– 0.19
90	91	Brown Derby Inc.	May '91	0.81	0.00
91	96	Greyhound Dial Corp.	Dec. '90	0.79	– 2.80
92	57	Wendy's International Inc.	Dec. '90	0.71	5.66
93	75	Grand Metropolitan PLC	Sept. '90	0.62	3.71
94	65	Promus Cos.	Dec. '90	– 3.24	4.98
95	98	Horn & Hardart Co.	Dec. '90	– 5.15	– 13.57
96	64	Marriott Corp.	Dec. '90	– 7.77	5.12
97	73	Paragon Restaurant Group	Oct. '90	– 9.42	3.93
98	83	Investors Management Corp.	Dec. '90	– 9.88	2.34
99	61	Southland Corp.	Dec. '90	– 15.62	5.21
100	99	Caterair International	Dec. '90	—	—

Source: NRN Research.

TOP 100 CHAINS RANKED BY U.S. SYSTEMWIDE SALES GROWTH

(year-to-year percentage change)

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Percentage Change '90 vs. '89	Percentage Change '89 vs. '88
1	1	Subway	Dec. '90	43.12%	57.92%
2	2	Rally's	June '91	35.52	52.05
3	3	Olive Garden	May '91	33.33	50.00
4	13	Little Caesars Pizza	Dec. '90	32.74	24.45
5	5	El Pollo Loco	Dec. '90	30.95	38.84
6	12	Taco Bell	Dec. '90	30.00	25.00
7	4	TCBY	Nov. '90	27.69	42.43
8	9	Sbarro	Dec. '90	27.55	27.27
9	8	Radisson Hotels	Dec. '90	24.10	28.70
10	16	Tony Roma's	Feb. '91	23.62	17.48
11	10	Cracker Barrel	Aug. '91	23.26	26.84
12	15	Disney theme parks and hotels	Sept. '90	21.99	22.98
13	14	Chili's Grill & Bar	June '91	19.02	23.49
14	11	Ryan's	Dec. '90	18.64	26.07
15	6	Ruby Tuesday	May '91	17.58	37.92
16	60	Houlihan's	Dec. '90	17.09	5.90
17	36	Service America	Mar. '91	16.24	10.38
18	21	Bakers Square	Oct. '90	15.31	14.47
19	70	Marriott In-Flite	Dec. '90	15.29	4.79
20	27	Dunkin' Donuts	Dec. '90	13.89	12.89
21	30	Pizza Hut	Dec. '90	13.58	12.11
22	17	Hyatt Hotels	Jan. '91	13.42	16.11
23	68	Harry M. Stevens	Dec. '90	13.36	5.18
24	19	ServiceMaster Food Services	Dec. '90	13.28	15.87
25	24	Chick-fil-A	Dec. '90	12.21	13.61
26	22	Seiler Corp.	Aug. '90	12.03	14.38
27	49	Jack in the Box	Sept. '90	11.80	7.48
28	37	Bob Evans Farms	Apr. '91	11.64	9.81
29	53	Sky Chefs	Dec. '90	11.41	6.90
30	33	Luby's Cafeteria	Aug. '90	11.19	11.40
31	99	Sheraton Hotels	Dec. '90	10.91	– 7.04
32	23	International House of Pancakes	Dec. '90	10.86	13.97
33	29	Marriott Food and Services Mgt.	Dec. '90	10.85	12.77
34	61	Ground Round	Dec. '90	10.39	5.88
35	98	Dobbs Houses	Dec. '90	10.15	– 3.90
36	96	Hilton Hotels	Dec. '90	10.06	– 2.54
37	90	Big Boy	Dec. '90	10.00	0.60
38	75	7-Eleven	Dec. '90	9.93	4.08
39	42	Ogden Allied Entertainment Svcs.	Dec. '90	9.38	8.74
40	32	T.G.I. Friday's	Dec. '90	9.13	11.65
41	71	Quincy's	Dec. '90	9.13	4.78
42	20	Carl's Jr.	Jan. '91	9.05	14.48
43	55	Chi-Chi's	Sept. '90	8.85	6.85
44	63	Hardee's	Dec. '90	8.83	5.59
45	69	Piccadilly	June '91	8.62	5.07
46	40	Concession Air	Dec. '90	8.55	9.41
47	77	ARA Services/ARASERVE	Sept. '90	8.52	3.85
48	76	Wendy's	Dec. '90	8.49	3.93
49	46	Sportservice	Dec. '90	8.47	8.29
50	62	Krystal	Dec. '90	8.34	5.67
51	28	Perkins Family Restaurants	Dec. '90	8.04	12.80
52	56	Denny's	Dec. '90	7.76	6.23
53	45	Red Lobster	May '91	7.69	8.33
54	91	Daka	June '91	7.62	0.00
55	48	Shoney's	Oct. '90	7.49	7.99
56	41	Marriott Hotels & Resorts	Dec. '90	7.41	9.00
57	7	Church's Fried Chicken	Oct. '90	6.98	30.70
58	47	Popeye's Chicken	Oct. '90	6.86	8.25
59	65	McDonald's	Dec. '90	6.85	5.55
60	95	White Castle	Dec. '90	6.75	– 1.49
61	52	Furr's Cafeterias	Dec. '90	6.52	6.98
62	88	El Torito	Dec. '90	6.28	1.54
63	38	Whataburger	Sept. '90	6.00	9.81
64	81	Long John Silver's	June '91	5.92	3.13
65	51	Captain D's Seafood	Oct. '90	5.81	7.01
66	57	Dobbs International	Dec. '90	5.78	6.13
67	72	Canteen Corp.	Dec. '90	5.76	4.51
68	87	Baskin-Robbins	Dec. '90	5.66	1.68
69	59	Stuart Anderson's Black Angus	Dec. '90	5.56	5.99
70	35	Round Table Pizza	June '91	5.42	10.49
71	34	Arby's	Dec. '90	5.41	10.92
72	79	Kentucky Fried Chicken	Dec. '90	5.40	3.45
73	26	Sonic Drive-In	Aug. '90	5.07	12.94
74	44	Holiday Inns	Dec. '90	4.84	8.44
75	18	Host International	Dec. '90	4.76	16.00
76	39	Marie Callender's	Dec. '90	4.35	9.52
77	93	Friendly's Restaurants	Dec. '90	4.31	– 1.07
78	78	Western Sizzlin'	Dec. '90	4.26	3.79
79	58	Shakey's	Dec. '90	4.20	6.02
80	50	Westin Hotels	Dec. '90	4.06	7.33
81	43	Domino's Pizza	Dec. '90	4.00	8.70
82	31	Morrison Custom Management	May '91	3.39	11.95
83	74	Steak and Ale	June '91	2.77	4.38
84	94	Morrison's	May '91	2.74	– 1.35
85	89	Rax	July '91	2.60	1.16
86	83	Del Taco	Dec. '90	2.44	2.50
87	54	Six Flags amusement parks	Dec. '90	2.44	6.89
88	84	Village Inn	Oct. '90	2.30	2.13
89	25	Sizzler	Apr. '91	2.21	12.96
90	66	Dairy Queen	Nov. '90	2.17	5.38
91	92	Ponderosa	Feb. '91	1.89	– 0.29
92	97	Godfather's Pizza	May '91	1.69	– 3.67
93	86	K mart	Jan. '91	1.56	1.91
94	67	Waffle House	June '91	1.29	5.38
95	82	Bennigan's	June '91	0.85	2.68
96	64	Burger King	Sept. '90	0.00	5.56
97	100	Bonanza	Feb. '91	– 1.08	– 9.56
98	73	Ramada Inn	Dec. '90	– 3.14	4.39
99	85	Golden Corral	Dec. '90	– 6.41	2.02
100	80	Roy Rogers	Dec. '90	– 14.38	3.18

Source: NRN Research.

TOP 100 CHAINS RANKED BY SALES PER UNIT

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Sales Per Unit (By Fiscal Year, in Thousands)		
				Current	Preceding	Prior
1	1	Disney theme parks and hotels	Sept. '90	$151,200.0	$144,000.0	$134,400.0
2	2	Six Flags amusement parks	Dec. '90	28,800.0	28,100.0	26,300.0
3	3	Marriott In-Flite	Dec. '90	14,500.0	13,500.0	13,300.0
4	4	Sky Chefs	Dec. '90	12,130.0	11,570.0	11,080.0
5	5	Westin Hotels	Dec. '90	8,741.0	8,400.0	8,063.0
6	7	Harry M. Stevens	Dec. '90	6,450.0	5,700.0	5,900.0
7	6	Dobbs International	Dec. '90	5,860.0	6,020.0	6,000.0
8	8	Concession Air	Dec. '90	4,510.0	4,340.0	3,960.0
9	9	Hilton Hotels	Dec. '90	3,769.0	3,530.0	3,500.0
10	10	Hyatt Hotels	Jan. '91	3,682.0	3,504.0	3,350.0
11	13	T.G.I. Friday's	Dec. '90	3,400.0	3,300.0	3,025.0
12	12	Marriott Hotels & Resorts	Dec. '90	3,135.0	3,351.0	3,510.0
13	14	Houlihan's	Dec. '90	3,119.0	3,030.0	2,846.0
14	11	Sheraton Hotels	Dec. '90	3,100.0	3,430.0	3,440.0
15	16	Red Lobster	May '91	3,050.0	2,990.0	2,830.0
16	15	Sportservice	Dec. '90	3,010.0	3,030.0	3,200.0
17	18	Cracker Barrel	Aug. '91	2,800.0	2,700.0	2,100.0
18	19	Olive Garden	May '91	2,800.0	2,700.0	2,600.0
19	20	Stuart Anderson's Black Angus	Dec. '90	2,710.0	2,571.0	2,399.0
20	21	Chi-Chi's	Sept. '90	2,676.0	2,517.0	2,412.0
21	22	Luby's Cafeteria	Aug. '90	2,420.0	2,400.0	2,345.0
22	17	Ogden Allied Ent. Services	Dec. '90	2,400.0	2,800.0	3,100.0
23	23	Ryan's	Dec. '90	2,350.0	2,270.0	2,180.0
24	26	El Torito	Dec. '90	2,310.0	2,135.0	2,090.0
25	28	Piccadilly	June '91	2,250.0	2,050.0	1,900.0
26	25	Chili's Grill & Bar	June '91	2,200.0	2,150.0	2,000.0
27	24	Tony Roma's	Feb. '91	2,179.5	2,163.3	2,148.2
28	27	Bennigan's	June '91	2,130.0	2,112.1	2,066.2
29	29	Radisson Hotels	Dec. '90	1,930.0	1,830.0	1,770.0
30	30	Furr's Cafeterias	Dec. '90	1,900.0	1,815.0	1,800.0
31	31	Morrison's	May '91	1,900.0	1,800.0	1,750.0
32	32	Ruby Tuesday	May '91	1,700.0	1,700.0	1,700.0
33	33	McDonald's	Dec. '90	1,629.0	1,621.0	1,596.0
34	34	Marie Callender's	Dec. '90	1,600.0	1,600.0	1,650.0
35	37	Bakers Square	Oct. '90	1,550.0	1,424.0	1,294.0
36	35	Shoney's	Oct. '90	1,525.0	1,453.0	1,371.0
37	40	Ground Round	Dec. '90	1,450.0	1,347.0	1,279.0
38	38	Steak and Ale	June '91	1,446.5	1,407.5	1,340.0
39	36	Sizzler	Apr. '91	1,444.0	1,430.0	1,360.0
40	39	Bob Evans Farms	Apr. '91	1,400.0	1,400.0	1,350.0
41	41	Perkins Family Restaurants	Dec. '90	1,330.0	1,300.0	1,200.0
42	42	Quincy's	Dec. '90	1,300.0	1,250.0	1,180.0
43	43	White Castle	Dec. '90	1,300.0	1,166.0	1,300.0
44	44	Denny's	Dec. '90	1,177.0	1,123.0	1,069.0
45	45	Carl's Jr.	Jan. '91	1,150.0	1,100.0	1,000.0
46	47	Village Inn	Oct. '90	1,150.0	1,054.0	919.0
47	52	Burger King	Sept. '90	1,100.0	1,000.0	1,020.0
48	56	Jack in the Box	Sept. '90	1,080.0	931.0	903.0
49	49	Host International	Dec. '90	1,060.0	1,040.0	935.0
50	48	Marriott Food and Servs. Mgmt.	Dec. '90	1,060.0	1,050.0	959.0
51	46	Roy Rogers	Dec. '90	1,060.0	1,060.0	1,060.0
52	50	El Pollo Loco	Dec. '90	1,050.0	1,010.0	1,018.0
53	54	Bonanza	Feb. '91	1,025.0	975.0	940.0
54	51	Big Boy	Dec. '90	1,000.0	1,000.0	1,000.0
55	53	Ponderosa	Feb. '91	995.0	986.1	1,001.0
56	61	Seiler Corp.	Aug. '90	980.0	886.0	807.4
57	59	ServiceMaster Food Services	Dec. '90	968.0	909.0	812.0
58	57	Hardee's	Dec. '90	959.0	922.0	920.0
59	55	Golden Corral	Dec. '90	950.0	943.0	888.0
60	58	Western Sizzlin'	Dec. '90	936.0	918.5	774.0
61	60	Rally's	June '91	920.0	905.0	918.0
62	62	Canteen Corp.	Dec. '90	901.8	875.9	861.0
63	63	Krystal	Dec. '90	850.0	812.3	762.6
64	64	Wendy's	Dec. '90	802.0	789.0	759.0
65	68	Taco Bell	Dec. '90	800.0	686.0	589.0
66	65	International House of Pancakes	Dec. '90	794.0	747.0	688.0
67	67	Service America	Mar. '91	780.2	688.3	623.5
68	66	Popeye's Chicken	Oct. '90	759.7	710.0	725.0
69	69	Friendly's Restaurants	Dec. '90	700.0	685.0	675.0
70	71	Whataburger	Sept. '90	698.2	668.1	641.1
71	72	Ramada Inn	Dec. '90	692.5	660.8	627.5
72	70	Rax	July '91	688.4	671.0	657.0
73	76	Arby's	Dec. '90	675.0	626.0	613.0
74	74	Captain D's Seafood	Oct. '90	670.0	660.0	630.0
75	73	Chick-fil-A	Dec. '90	665.2	660.6	621.5
76	75	Shakey's	Dec. '90	655.0	645.0	640.0
77	77	Kentucky Fried Chicken	Dec. '90	635.0	607.0	597.0
78	78	Pizza Hut	Dec. '90	593.0	581.0	572.0
79	79	Sbarro	Dec. '90	575.0	560.0	540.0
80	82	Dobbs Houses	Dec. '90	571.0	539.0	585.0
81	80	ARA Services/ARASERVE	Sept. '90	563.0	542.0	578.0
82	81	Long John Silver's	June '91	559.0	542.0	534.0
83	83	Daka	June '91	538.0	525.0	525.0
84	84	Del Taco	Dec. '90	525.0	520.0	515.0
85	36	Domino's Pizza	Dec. '90	520.0	487.0	441.0
86	85	Dunkin' Donuts	Dec. '90	500.0	490.0	479.8
87	87	Godfather's Pizza	May '91	450.0	440.0	414.0
88	91	Church's Fried Chicken	Oct. '90	445.0	415.0	377.7
89	89	Morrison Custom Management	May '91	441.0	430.0	385.0
90	88	Little Caesars Pizza	Dec. '90	440.0	437.0	426.0
91	90	Dairy Queen	Nov. '90	430.0	422.0	408.0
92	92	Sonic Drive-In	Aug. '90	400.0	395.0	356.0
93	93	Waffle House	June '91	395.0	395.0	395.0
94	94	Holiday Inns	Dec. '90	363.7	346.4	330.8
95	95	Round Table Pizza	June '91	311.0	296.0	267.0
96	96	Subway	Dec. '90	250.0	232.0	215.0
97	97	TCBY	Nov. '90	218.0	221.0	218.0
98	98	Baskin-Robbins	Dec. '90	217.2	202.6	187.6
99	99	K mart	Jan. '91	185.7	185.0	183.6
100	100	7-Eleven	Dec. '90	143.0	138.0	135.0

Source: NRN Research.

TOP 100 CHAINS RANKED BY GROWTH IN SALES PER UNIT

(year-to-year percentage change)

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	'90 vs. '89	'89 vs. '88
1	3	Taco Bell	Dec. '90	16.62%	16.47%
2	56	Jack in the Box	Sept. '90	16.00	3.10
3	11	Service America	Mar. '91	13.35	10.39
4	94	Harry M. Stevens	Dec. '90	13.16	– 3.39
5	100	White Castle	Dec. '90	11.49	–10.31
6	15	Seiler Corp.	Aug. '90	10.61	9.73
7	91	Burger King	Sept. '90	10.00	– 1.96
8	23	Piccadilly	June '91	9.76	7.89
9	4	Village Inn	Oct. '90	9.11	14.69
10	12	Bakers Square	Oct. '90	8.85	10.05
11	62	El Torito	Dec. '90	8.20	2.15
12	65	Arby's	Dec. '90	7.83	2.12
13	22	Subway	Dec. '90	7.76	7.91
14	36	Ground Round	Dec. '90	7.65	5.32
15	70	Marriott In-Flite	Dec. '90	7.41	1.50
16	14	Church's Fried Chicken	Oct. '90	7.23	9.88
17	21	Baskin-Robbins	Dec. '90	7.21	8.00
18	92	Popeye's Chicken	Oct. '90	7.00	– 2.07
19	10	Domino's Pizza	Dec. '90	6.78	10.43
20	75	Hilton Hotels	Dec. '90	6.77	0.86
21	5	ServiceMaster Food Services	Dec. '90	6.49	11.95
22	45	Chi-Chi's	Sept. '90	6.32	4.35
23	19	International House of Pancakes	Dec. '90	6.29	8.58
24	98	Dobbs Houses	Dec. '90	5.94	– 7.86
25	57	Morrison's	May '91	5.56	2.86
26	55	Radisson Hotels	Dec. '90	5.46	3.39
27	25	Stuart Anderson's Black Angus	Dec. '90	5.41	7.17
28	51	Bonanza	Feb. '91	5.13	3.72
29	43	Hyatt Hotels	Jan. '91	5.08	4.60
30	9	Round Table Pizza	June '91	5.07	10.86
31	26	Disney theme parks and hotels	Sept. '90	5.00	7.14
32	42	Holiday Inns	Dec. '90	4.99	4.72
33	33	Shoney's	Oct. '90	4.96	5.98
34	44	Sky Chefs	Dec. '90	4.84	4.42
35	39	Denny's	Dec. '90	4.81	5.05
36	37	Ramada Inn	Dec. '90	4.80	5.31
37	76	Furr's Cafeterias	Dec. '90	4.68	0.83
38	28	Krystal	Dec. '90	4.64	6.52
39	67	Kentucky Fried Chicken	Dec. '90	4.61	1.68
40	13	Carl's Jr.	Jan. '91	4.55	10.00
41	46	Whataburger	Sept. '90	4.51	4.21
42	47	Westin Hotels	Dec. '90	4.06	4.18
43	81	Hardee's	Dec. '90	4.01	0.22
44	34	Quincy's	Dec. '90	4.00	5.93
45	88	El Pollo Loco	Dec. '90	3.96	– 0.79
46	16	Concession Air	Dec. '90	3.92	9.60
47	97	ARA Services/ARASERVE	Sept. '90	3.87	– 6.23
48	1	Cracker Barrel	Aug. '91	3.70	28.57
49	50	Olive Garden	May '91	3.70	3.85
50	60	7-Eleven	Dec. '90	3.62	2.22
51	48	Ryan's	Dec. '90	3.52	4.13
52	71	Long John Silver's	June '91	3.14	1.50
53	18	T.G.I. Friday's	Dec. '90	3.03	9.09
54	66	Canteen Corp.	Dec. '90	2.96	1.73
55	29	Houlihan's	Dec. '90	2.94	6.47
56	40	Steak and Ale	June '91	2.77	5.04
57	53	Sbarro	Dec. '90	2.68	3.70
58	63	Rax	July '91	2.59	2.13
59	6	Morrison Custom Management	May '91	2.56	11.69
60	27	Six Flags amusement parks	Dec. '90	2.49	6.84
61	83	Daka	June '91	2.48	0.00
62	24	Chili's Grill & Bar	June '91	2.33	7.50
63	20	Perkins Family Restaurants	Dec. '90	2.31	8.33
64	31	Godfather's Pizza	May '91	2.27	6.28
65	72	Friendly's Restaurants	Dec. '90	2.19	1.48
66	68	Pizza Hut	Dec. '90	2.07	1.57
67	64	Dunkin' Donuts	Dec. '90	2.04	2.13
68	35	Red Lobster	May '91	2.01	5.65
69	7	Host International	Dec. '90	1.92	11.23
70	2	Western Sizzlin'	Dec. '90	1.91	18.67
71	54	Dairy Queen	Nov. '90	1.90	3.43
72	89	Rally's	June '91	1.66	– 1.42
73	49	Wendy's	Dec. '90	1.65	3.95
74	77	Shakey's	Dec. '90	1.55	0.78
75	41	Captain D's Seafood	Oct. '90	1.52	4.76
76	8	Sonic Drive-In	Aug. '90	1.27	10.96
77	38	Sizzler	Apr. '91	0.98	5.15
78	74	Del Taco	Dec. '90	0.96	0.97
79	17	Marriott Food and Services Mgmt.	Dec. '90	0.95	9.49
80	90	Ponderosa	Feb. '91	0.90	– 1.49
81	61	Bennigan's	June '91	0.85	2.22
82	59	Luby's Cafeteria	Aug. '90	0.83	2.35
83	79	Tony Roma's	Feb. '91	0.75	0.70
84	32	Golden Corral	Dec. '90	0.74	6.19
85	30	Chick-fil-A	Dec. '90	0.70	6.29
86	58	Little Caesars Pizza	Dec. '90	0.69	2.58
87	69	McDonald's	Dec. '90	0.49	1.57
88	78	K mart	Jan. '91	0.38	0.76
89	82	Big Boy	Dec. '90	0.00	0.00
90	52	Bob Evans Farms	Apr. '91	0.00	3.70
91	93	Marie Callender's	Dec. '90	0.00	– 3.03
92	84	Roy Rogers	Dec. '90	0.00	0.00
93	85	Ruby Tuesday	May '91	0.00	0.00
94	86	Waffle House	June '91	0.00	0.00
95	96	Sportservice	Dec. '90	– 0.66	– 5.31
96	73	TCBY	Nov. '90	– 1.36	1.38
97	80	Dobbs International	Dec. '90	– 2.66	0.33
98	95	Marriott Hotels & Resorts	Dec. '90	– 6.45	– 4.53
99	87	Sheraton Hotels	Dec. '90	– 9.62	– 0.29
100	99	Ogden Allied Entertainment Servs.	Dec. '90	–14.29	– 9.68

Source: NRN Research.

TOP 100 CHAINS RANKED BY CURRENT-YEAR U.S. UNIT TOTALS

				Year-end Number of Units								
1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Current	(Company –	Franchise)	Last Full	(Company –	Franchise)	Prior	(Company –	Franchise)
1	1	McDonald's	Dec. '90	8,650	1,815	6,835	8,270	1,751	6,519	7,907	1,758	6,149
2	3	Pizza Hut	Dec. '90	7,010	3,642	3,368	6,400	3,200	3,200	5,900	2,900	3,000
3	2	7-Eleven	Dec. '90	6,400	3,100	3,300	6,920	3,807	3,113	7,000	3,500	3,500
4	5	Domino's Pizza	Dec. '90	5,400	1,620	3,780	5,185	1,555	3,630	4,893	1,468	3,425
5	4	Burger King	Sept. '90	5,380	834	4,546	5,358	796	4,562	5,020	743	4,277
6	8	Subway	Dec. '90	5,030	30	5,000	3,920	24	3,896	2,819	29	2,790
7	6	Kentucky Fried Chicken	Dec. '90	4,964	1,366	3,598	4,961	1,364	3,597	4,923	1,286	3,637
8	7	Dairy Queen	Nov. '90	4,680	5	4,675	4,627	5	4,622	4,556	5	4,551
9	10	Hardee's	Dec. '90	3,548	1,136	2,412	3,298	1,086	2,212	3,151	1,070	2,081
10	9	Wendy's	Dec. '90	3,520	1,061	2,459	3,490	1,031	2,459	3,521	1,076	2,445
11	11	Taco Bell	Dec. '90	3,300	1,887	1,413	3,082	1,757	1,325	2,892	1,691	1,201
12	12	Little Caesars Pizza	Dec. '90	3,197	959	2,238	2,632	789	1,843	2,400	720	1,680
13	13	ARA Services/ARASERVE	Sept. '90	2,600	2,600	0	2,550	2,550	0	2,350	2,350	0
14	15	Arby's	Dec. '90	2,337	224	2,113	2,117	214	1,903	1,949	209	1,740
15	14	Baskin-Robbins	Dec. '90	2,320	178	2,142	2,354	178	2,176	2,500	186	2,314
16	16	Marriott Food and Services Management	Dec. '90	2,200	2,200	0	2,005	2,005	0	1,960	1,960	0
17	22	TCBY	Nov. '90	1,930	169	1,761	1,537	149	1,388	1,160	115	1,045
18	19	Dunkin' Donuts	Dec. '90	1,750	5	1,745	1,653	8	1,645	1,543	25	1,518
19	17	K mart	Jan. '91	1,750	1,750	0	1,730	1,730	0	1,710	1,710	0
20	18	Service America	Mar. '91	1,743	1,743	0	1,700	1,700	0	1,700	1,700	0
21	21	Canteen Corp.	Dec. '90	1,630	1,630	0	1,577	1,577	0	1,543	1,543	0
22	20	Holiday Inns	Dec. '90	1,578	177	1,401	1,582	176	1,406	1,526	174	1,352
23	23	Long John Silver's	June '91	1,523	1,010	513	1,483	1,005	478	1,465	1,002	463
24	24	Denny's	Dec. '90	1,334	981	353	1,274	1,001	273	1,234	1,001	233
25	25	Church's Fried Chicken	Oct. '90	1,196	752	444	1,111	807	304	1,363	992	371
26	26	Big Boy	Dec. '90	1,132	150	982	1,030	150	880	1,030	150	880
27	28	Jack in the Box	Sept. '90	1,048	645	403	986	605	381	957	637	320
28	27	Sonic Drive-in	Aug. '90	1020	90	930	1012	90	922	980	90	890
29	29	Morrison Custom Management	May '91	900	900	0	892	892	0	890	890	0
30	30	Friendly's Restaurants	Dec. '90	830	830	0	823	823	0	845	845	0
31	31	Popeye's Chicken	Oct. '90	776	130	646	739	113	626	715	102	613
32	34	Shoney's	Oct. '90	734	292	442	680	280	400	636	272	364
33	32	Ponderosa	Feb. '91	710	400	310	704	397	307	695	405	290
34	33	Waffle House	June '91	700	315	385	685	315	370	650	315	335
35	35	Roy Rogers	Dec. '90	648	363	285	648	363	285	577	351	226
36	37	Captain D's Seafood	Oct. '90	638	357	281	607	348	259	588	343	245
37	36	Sizzler	Apr. '91	636	196	440	628	192	426	587	182	405
38	38	Host International	Dec. '90	600	600	0	582	582	0	561	561	0
39	39	Carl's Jr.	Jan. '91	578	456	122	540	454	86	482	406	76
40	40	Round Table Pizza	June '91	560	0	560	540	0	540	525	0	525
41	42	Western Sizzlin'	Dec. '90	518	3	515	514	0	514	579	4	575
42	41	Godfather's Pizza	May '91	511	171	340	523	180	343	580	220	360
43	43	Bonanza	Feb. '91	502	2	500	510	2	508	612	2	610
44	47	International House of Pancakes	Dec. '90	501	53	448	480	56	424	458	57	401
45	46	Rax	July '91	493	141	342	498	140	358	500	140	360
46	48	Red Lobster	May '91	481	481	0	461	461	0	444	444	0
47	49	Whataburger	Sept. '90	475	296	179	438	274	164	417	258	159
48	44	Golden Corral	Dec. '90	470	435	35	501	490	11	505	495	10
49	54	Sbarro	Dec. '90	470	360	110	384	291	93	316	235	81
50	45	Ramada Inn	Dec. '90	459	15	444	498	14	484	501	13	488
51	50	Chick-fil-A	Dec. '90	445	445	0	411	411	0	386	386	0
52	51	Daka	June '91	420	420	0	400	400	0	400	400	0
53	55	Perkins Family Restaurants	Dec. '90	400	114	286	371	114	257	341	114	227
54	53	Seiler Corp.	Aug. '90	400	400	0	395	395	0	379	379	0
55	52	Del Taco	Dec. '90	393	267	126	399	270	129	396	264	132
56	56	Dobbs Houses	Dec. '90	380	380	0	363	363	0	350	350	0
57	57	Marriott Hotels & Resorts	Dec. '90	379	322	57	330	277	53	289	238	51
58	58	Sheraton Hotels	Dec. '90	338	56	282	321	53	268	340	54	286
59	65	Rally's	June '91	305	90	215	225	81	144	148	38	110
60	59	ServiceMaster Food Services	Dec. '90	282	282	0	265	265	0	256	256	0
61	60	Hilton Hotels	Dec. '90	269	51	218	261	48	213	270	45	225
62	62	Bob Evans Farms	Apr. '91	261	261	0	241	241	0	232	232	0
63	61	White Castle	Dec. '90	255	255	0	243	243	0	234	234	0
64	71	Olive Garden	May '91	250	250	0	200	200	0	155	155	0
65	68	Chili's Grill & Bar	June '91	247	183	64	211	161	50	174	137	37
66	64	Krystal	Dec. '90	245	235	10	230	230	0	232	232	0
67	73	El Pollo Loco	Dec. '90	236	119	117	192	96	96	120	80	40
68	63	Village Inn	Oct. '90	228	124	104	234	133	101	267	150	117
69	70	Chi-Chi's	Sept. '90	224	160	64	208	144	64	196	129	67
70	66	Bennigan's	June '91	223	223	0	223	223	0	222	222	0
71	67	Quincy's	Dec. '90	221	221	0	213	213	0	211	211	0
72	69	Shakey's	Dec. '90	216	1	215	210	1	209	224	2	222
73	72	Ground Round	Dec. '90	203	156	47	196	156	40	194	158	36
74	79	Radisson Hotels	Dec. '90	179	29	150	152	25	127	122	29	93
75	74	Morrison's	May '91	176	176	0	174	174	0	169	169	0
76	75	Bakers Square	Oct. '90	173	173	0	159	159	0	151	151	0
77	78	T.G.I. Friday's	Dec. '90	169	137	32	153	130	23	148	140	8
78	77	Marie Callender's	Dec. '90	163	83	80	157	81	76	145	75	70
79	76	Steak and Ale	June '91	159	158	1	159	158	1	160	159	1
80	80	Piccadilly	June '91	158	158	0	147	147	0	138	138	0
81	81	Ryan's	Dec. '90	153	120	33	141	110	31	122	96	26
82	84	Tony Roma's	Feb. '91	146	18	128	119	17	102	102	15	87
83	85	Ruby Tuesday	May '91	145	145	0	111	111	0	83	83	0
84	83	Luby's Cafeteria	Aug. '90	137	137	0	124	124	0	113	113	0
85	82	Furr's Cafeterias	Dec. '90	130	130	0	125	125	0	120	120	0
86	87	Hyatt Hotels	Jan. '91	109	109	0	101	101	0	91	91	0
87	86	El Torito	Dec. '90	105	104	1	103	102	1	101	100	1
88	88	Cracker Barrel	Aug. '91	103	103	0	88	88	0	73	73	0
89	90	Ogden Allied Entertainment Services	Dec. '90	102	102	0	80	80	0	69	69	0
90	89	Stuart Anderson's Black Angus	Dec. '90	84	84	0	84	84	0	84	84	0
91	91	Houlihan's	Dec. '90	77	62	15	69	56	13	64	55	9
92	92	Sportservice	Dec. '90	75	75	0	69	69	0	61	61	0
93	93	Dobbs International	Dec. '90	50	50	0	46	46	0	44	44	0
94	94	Concession Air	Dec. '90	47	47	0	45	45	0	43	43	0
95	95	Marriott In-Flite	Dec. '90	45	45	0	42	42	0	40	40	0
96	96	Harry M. Stevens	Dec. '90	40	40	0	40	40	0	37	37	0
97	97	Sky Chefs	Dec. '90	37	37	0	35	35	0	34	34	0
98	98	Westin Hotels	Dec. '90	34	34	0	34	34	0	33	33	0
99	99	Six Flags amusement parks	Dec. '90	7	7	0	7	7	0	7	7	0
100	100	Disney theme parks and hotels	Sept. '90	4	4	0	4	4	0	3	3	0
		TOTAL:		110,987	45,937	65,040	105,629	44,689	60,930	100,988	43,158	57,830

Source: NRN Research.

TOP 100 CHAINS RANKED BY SHARE OF TOP 100 MARKET

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Market Share, By Fiscal Year Current	Preceding	Prior
1	1	McDonald's	Dec. '90	14.64%	14.90%	15.26%
2	2	Burger King	Sept. '90	6.50	7.07	7.24
3	3	Pizza Hut	Dec. '90	4.20	4.02	3.87
4	5	Hardee's	Dec. '90	3.70	3.70	3.78
5	4	Kentucky Fried Chicken	Dec. '90	3.61	3.72	3.89
6	6	Wendy's	Dec. '90	3.50	3.51	3.65
7	7	Domino's Pizza	Dec. '90	2.97	3.10	3.08
8	9	Taco Bell	Dec. '90	2.97	2.48	2.15
9	8	Marriott Food and Servs. Mgmt.	Dec. '90	2.68	2.63	2.52
10	10	Dairy Queen	Nov. '90	2.26	2.40	2.47
11	17	Little Caesars Pizza	Dec. '90	1.71	1.40	1.22
12	11	Canteen Corp.	Dec. '90	1.68	1.72	1.78
13	12	ARA Services/ARASERVE	Sept. '90	1.67	1.67	1.74
14	13	Denny's	Dec. '90	1.66	1.67	1.70
15	14	Red Lobster	May '91	1.60	1.61	1.61
16	16	Service America	Mar. '91	1.55	1.45	1.42
17	15	Arby's	Dec. '90	1.47	1.51	1.47
18	18	Marriott Hotels & Resorts	Dec. '90	1.35	1.37	1.36
19	26	Subway	Dec. '90	1.28	0.97	0.66
20	19	Big Boy	Dec. '90	1.25	1.24	1.33
21	20	Hilton Hotels	Dec. '90	1.16	1.14	1.27
22	21	Sheraton Hotels	Dec. '90	1.15	1.13	1.31
23	24	Jack in the Box	Sept. '90	1.06	1.03	1.04
24	22	Shoney's	Oct. '90	1.06	1.07	1.07
25	27	Dunkin' Donuts	Dec. '90	1.00	0.95	0.91
26	23	Sizzler	Apr. '91	0.99	1.05	1.00
27	25	Long John Silver's	June '91	0.97	1.00	1.04
28	28	7-Eleven	Dec. '90	0.90	0.89	0.92
29	29	Ponderosa	Feb. '91	0.81	0.86	0.93
30	32	Marriott In-Flite	Dec. '90	0.75	0.71	0.73
31	30	Host International	Dec. '90	0.73	0.76	0.70
32	39	Disney theme parks and hotels	Sept. '90	0.69	0.61	0.54
33	34	Carl's Jr.	Jan. '91	0.68	0.68	0.64
34	45	Olive Garden	May '91	0.68	0.56	0.40
35	33	Friendly's Restaurants	Dec. '90	0.66	0.69	0.75
36	35	Holiday Inns	Dec. '90	0.65	0.68	0.68
37	36	Church's Fried Chicken	Oct. '90	0.65	0.66	0.54
38	37	Popeye's Chicken	Oct. '90	0.64	0.65	0.65
39	38	Bonanza	Feb. '91	0.59	0.65	0.77
40	40	Baskin-Robbins	Dec. '90	0.57	0.59	0.63
41	44	T.G.I. Friday's	Dec. '90	0.57	0.57	0.55
42	31	Roy Rogers	Dec. '90	0.57	0.72	0.76
43	48	Chili's Grill & Bar	June '91	0.56	0.51	0.45
44	42	Western Sizzlin'	Dec. '90	0.55	0.58	0.60
45	41	Bennigan's	June '91	0.54	0.58	0.61
46	46	Chi-Chi's	Sept. '90	0.53	0.53	0.54
47	47	Perkins Family Restaurants	Dec. '90	0.52	0.52	0.50
48	49	Sky Chefs	Dec. '90	0.51	0.50	0.51
49	43	Golden Corral	Dec. '90	0.50	0.58	0.61
50	50	Captain D's Seafood	Oct. '90	0.47	0.49	0.49
51	51	Sonic Drive-In	Aug. '90	0.47	0.48	0.46
52	54	Hyatt Hotels	Jan. '91	0.46	0.44	0.41
53	53	Int'l House of Pancakes	Dec. '90	0.45	0.45	0.42
54	52	Morrison Custom Management	May '91	0.45	0.48	0.46
55	55	Seiler Corp.	Aug. '90	0.45	0.43	0.41
56	61	TCBY	Nov. '90	0.43	0.37	0.28
57	58	Bob Evans Farms	Apr. '91	0.41	0.40	0.39
58	63	Ryan's	Dec. '90	0.40	0.37	0.31
59	69	Radisson Hotels	Dec. '90	0.39	0.34	0.29
60	56	Rax	July '91	0.39	0.41	0.44
61	59	K mart	Jan. '91	0.37	0.40	0.42
62	75	Tony Roma's	Feb. '91	0.36	0.32	0.29
63	60	Whataburger	Sept. '90	0.36	0.37	0.37
64	57	Ramada Inn	Dec. '90	0.36	0.41	0.42
65	67	Luby's Cafeteria	Aug. '90	0.36	0.35	0.34
66	65	Piccadilly	June '91	0.36	0.36	0.37
67	62	Round Table Pizza	June '91	0.35	0.37	0.36
68	64	Morrison's	May '91	0.34	0.36	0.40
69	68	White Castle	Dec. '90	0.34	0.35	0.38
70	66	Westin Hotels	Dec. '90	0.34	0.35	0.36
71	72	Chick-fil-A	Dec. '90	0.34	0.33	0.31
72	70	Dobbs International	Dec. '90	0.33	0.34	0.35
73	74	Ground Round	Dec. '90	0.33	0.33	0.33
74	73	Quincy's	Dec. '90	0.33	0.33	0.34
75	71	Waffle House	June '91	0.31	0.34	0.34
76	76	ServiceMaster Food Services	Dec. '90	0.31	0.30	0.28
77	87	Cracker Barrel	Aug. '91	0.30	0.27	0.23
78	81	Harry M. Stevens	Dec. '90	0.29	0.28	0.29
79	85	Bakers Square	Oct. '90	0.29	0.27	0.25
80	94	Sbarro	Dec. '90	0.29	0.24	0.21
81	79	Furr's Cafeterias	Dec. '90	0.28	0.29	0.29
82	82	Ogden Allied Ent. Services	Dec. '90	0.28	0.28	0.28
83	77	Godfather's Pizza	May '91	0.27	0.29	0.33
84	80	Marie Callender's	Dec. '90	0.27	0.29	0.28
85	78	Village Inn	Oct. '90	0.27	0.29	0.31
86	84	El Torito	Dec. '90	0.26	0.27	0.29
87	83	Steak and Ale	June '91	0.26	0.28	0.29
88	86	Stuart Anderson's Black Angus	Dec. '90	0.26	0.27	0.27
89	89	Sportservice	Dec. '90	0.26	0.26	0.26
90	88	Daka	June '91	0.26	0.26	0.28
91	96	Houlihan's	Dec. '90	0.25	0.24	0.24
92	99	El Pollo Loco	Dec. '90	0.25	0.21	0.16
93	92	Dobbs Houses	Dec. '90	0.25	0.24	0.27
94	95	Concession Air	Dec. '90	0.24	0.24	0.24
95	91	Shakey's	Dec. '90	0.24	0.25	0.26
96	100	Rally's	June '91	0.24	0.19	0.14
97	90	Del Taco	Dec. '90	0.24	0.25	0.27
98	97	Krystal	Dec. '90	0.23	0.23	0.24
99	98	Ruby Tuesday	May '91	0.23	0.22	0.17
100	93	Six Flags amusement parks	Dec. '90	0.23	0.24	0.25

Source: NRN Research.

TOP 100 CHAINS RANKED BY GROWTH IN TOTAL NUMBER OF U.S. UNITS

(year-to-year percentage change)

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Percentage Change '90 vs. '89	'89 vs. '88
1	2	Rally's	June '91	35.56%	52.03%
2	4	Ruby Tuesday	May '91	30.63	33.73
3	3	Subway	Dec. '90	28.32	39.06
4	13	Ogden Allied Entertainment Services	Dec. '90	27.50	15.94
5	6	TCBY	Nov. '90	25.57	32.50
6	7	Olive Garden	May '91	25.00	29.03
7	1	El Pollo Loco	Dec. '90	22.92	60.00
8	12	Tony Roma's	Feb. '91	22.69	16.67
9	9	Sbarro	Dec. '90	22.40	21.52
10	21	Little Caesars Pizza	Dec. '90	21.47	9.67
11	8	Radisson Hotels	Dec. '90	17.76	24.59
12	10	Chili's Grill & Bar	June '91	17.06	21.26
13	11	Cracker Barrel	Aug. '91	17.05	20.55
14	15	Marriott Hotels & Resorts	Dec. '90	14.85	14.19
15	28	Houlihan's	Dec. '90	11.59	7.81
16	20	Luby's Cafeteria	Aug. '90	10.48	9.73
17	56	T.G.I. Friday's	Dec. '90	10.46	3.38
18	23	Arby's	Dec. '90	10.39	8.62
19	79	Big Boy	Dec. '90	9.90	0.00
20	66	Marriott Food and Servs. Management	Dec. '90	9.73	2.30
21	25	Pizza Hut	Dec. '90	9.53	8.47
22	39	Bakers Square	Oct. '90	8.81	5.30
23	46	Dobbs International	Dec. '90	8.70	4.55
24	16	Sportservice	Dec. '90	8.70	13.11
25	14	Ryan's	Dec. '90	8.51	15.57
26	40	Whataburger	Sept. '90	8.45	5.04
27	49	Bob Evans Farms	Apr. '91	8.30	3.88
28	35	Chick-fil-A	Dec. '90	8.27	6.48
29	31	Shoney's	Oct. '90	7.94	6.92
30	19	Hyatt Hotels	Jan. '91	7.92	10.99
31	22	Perkins Family Restaurants	Dec. '90	7.82	8.80
32	36	Chi-Chi's	Sept. '90	7.69	6.12
33	100	Church's Fried Chicken	Oct. '90	7.65	–18.49
34	43	Hardee's	Dec. '90	7.58	4.67
35	34	Piccadilly	June '91	7.48	6.52
36	41	Marriott In-Flite	Dec. '90	7.14	5.00
37	33	Taco Bell	Dec. '90	7.07	6.57
38	18	Carl's Jr.	Jan. '91	7.04	12.03
39	88	Krystal	Dec. '90	6.52	– 0.86
40	55	ServiceMaster Food Services	Dec. '90	6.42	3.52
41	61	Jack in the Box	Sept. '90	6.29	3.03
42	29	Dunkin' Donuts	Dec. '90	5.87	7.13
43	64	Sky Chefs	Dec. '90	5.71	2.94
44	93	Sheraton Hotels	Dec. '90	5.30	– 5.59
45	60	Captain D's Seafood	Oct. '90	5.11	3.23
46	57	Popeye's Chicken	Oct. '90	5.01	3.36
47	80	Daka	June '91	5.00	0.00
48	50	White Castle	Dec. '90	4.94	3.85
49	59	Denny's	Dec. '90	4.71	3.24
50	53	Dobbs Houses	Dec. '90	4.68	3.71
51	45	McDonald's	Dec. '90	4.59	4.59
52	44	Concession Air	Dec. '90	4.44	4.65
53	42	International House of Pancakes	Dec. '90	4.38	4.80
54	51	Red Lobster	May '91	4.34	3.83
55	37	Domino's Pizza	Dec. '90	4.15	5.97
56	48	Furr's Cafeterias	Dec. '90	4.00	4.17
57	26	Marie Callender's	Dec. '90	3.82	8.28
58	74	Quincy's	Dec. '90	3.76	0.95
59	65	Round Table Pizza	June '91	3.70	2.86
60	73	Ground Round	Dec. '90	3.57	1.03
61	67	Canteen Corp.	Dec. '90	3.36	2.20
62	52	Host International	Dec. '90	3.09	3.74
63	92	Hilton Hotels	Dec. '90	3.07	– 3.33
64	95	Shakey's	Dec. '90	2.86	– 6.25
65	71	Long John Silver's	June '91	2.70	1.23
66	81	Service America	Mar. '91	2.53	0.00
67	38	Waffle House	June '91	2.19	5.38
68	24	ARA Services/ARASERVE	Sept. '90	1.96	8.51
69	68	El Torito	Dec. '90	1.94	1.98
70	30	Sizzler	Apr. '91	1.27	6.98
71	47	Seiler Corp.	Aug. '90	1.27	4.22
72	72	K mart	Jan. '91	1.16	1.17
73	63	Morrison's	May '91	1.15	2.96
74	69	Dairy Queen	Nov. '90	1.15	1.56
75	78	Morrison Custom Management	May '91	0.90	0.22
76	89	Wendy's	Dec. '90	0.86	– 0.88
77	70	Ponderosa	Feb. '91	0.85	1.29
78	91	Friendly's Restaurants	Dec. '90	0.85	– 2.60
79	58	Sonic Drive-In	Aug. '90	0.79	3.27
80	97	Western Sizzlin'	Dec. '90	0.78	–11.23
81	32	Burger King	Sept. '90	0.41	6.73
82	75	Kentucky Fried Chicken	Dec. '90	0.06	0.77
83	77	Bennigan's	June '91	0.00	0.45
84	5	Disney theme parks and hotels	Sept. '90	0.00	33.33
85	27	Harry M. Stevens	Dec. '90	0.00	8.11
86	17	Roy Rogers	Dec. '90	0.00	12.31
87	82	Six Flags amusement parks	Dec. '90	0.00	0.00
88	86	Steak and Ale	June '91	0.00	– 0.63
89	83	Stuart Anderson's Black Angus	Dec. '90	0.00	0.00
90	62	Westin Hotels	Dec. '90	0.00	3.03
91	54	Holiday Inns	Dec. '90	– 0.25	3.67
92	84	Rax	July '91	– 1.00	– 0.40
93	94	Baskin-Robbins	Dec. '90	– 1.44	– 5.84
94	76	Del Taco	Dec. '90	– 1.50	0.76
95	99	Bonanza	Feb. '91	–1.57	–16.67
96	96	Godfather's Pizza	May '91	– 2.29	– 9.83
97	98	Village Inn	Oct. '90	– 2.56	–12.36
98	87	Golden Corral	Dec. '90	– 6.19	– 0.79
99	90	7-Eleven	Dec. '90	– 7.51	– 1.14
100	85	Ramada Inn	Dec. '90	– 7.83	– 0.60

Source: NRN Research.

TOP 100 CHAINS RANKED BY GROWTH IN U.S. FRANCHISE UNITS

(year-to-year percentage change)

Rank 1990	Rank 1989	Chain	Fiscal Year Ends	Current Total Units	Franchise Units	Franch. Unit % Change '90 vs. '89	Franch. Unit % Change '89 vs. '88
1	20	Golden Corral	Dec. '90	470	35	218.18%	10.00%
2	8	Rally's	June '91	305	215	49.31	30.91
3	61	Church's Fried Chicken	Oct. '90	1,196	444	46.05	– 18.06
4	16	Carl's Jr.	Jan. '91	578	122	41.86	13.16
5	1	T.G.I. Friday's	Dec. '90	169	32	39.13	187.50
6	13	Denny's	Dec. '90	1,334	353	29.30	17.17
7	4	Subway	Dec. '90	5,030	5,000	28.34	39.64
8	6	Chili's Grill & Bar	June '91	247	64	28.00	35.14
9	7	TCBY	Nov. '90	1,930	1,761	26.87	32.82
10	12	Tony Roma's	Feb. '91	146	128	25.49	17.24
11	2	El Pollo Loco	Dec. '90	236	117	21.88	140.00
12	22	Little Caesars Pizza	Dec. '90	3,197	2,238	21.43	9.70
13	14	Sbarro	Dec. '90	470	110	18.28	14.81
14	5	Radisson Hotels	Dec. '90	19	150	18.11	36.56
15	17	Ground Round	Dec. '90	203	47	17.50	11.11
16	3	Houlihan's	Dec. '90	77	15	15.38	44.44
17	44	Big Boy	Dec. '90	1,132	982	11.59	0.00
18	15	Perkins Family Restaurants	Dec. '90	400	286	11.28	13.22
19	23	Arby's	Dec. '90	2,337	2,113	11.04	9.37
20	21	Shoney's	Oct. '90	734	442	10.50	9.89
21	39	Whataburger	Sept. '90	475	179	9.15	3.14
22	28	Hardee's	Dec. '90	3,548	2,412	9.04	6.30
23	33	Captain D's Seafood	Oct. '90	638	281	8.49	5.71
24	36	Marriott Hotels & Resorts	Dec. '90	379	57	7.55	3.92
25	38	Long John Silver's	June '91	1,523	513	7.32	3.24
26	19	Taco Bell	Dec. '90	3,300	1,413	6.64	10.32
27	10	Ryan's	Dec. '90	153	33	6.45	19.23
28	25	Dunkin' Donuts	Dec. '90	1,750	1,745	6.08	8.37
29	58	7-Eleven	Dec. '90	6,400	3,300	6.01	– 11.06
30	11	Jack in the Box	Sept. '90	1,048	403	5.77	19.06
31	32	International House of Pancakes	Dec. '90	501	448	5.66	5.74
32	24	Marie Callender's	Dec. '90	163	80	5.26	8.57
33	26	Pizza Hut	Dec. '90	7,010	3,368	5.25	6.67
34	56	Sheraton Hotels	Dec. '90	338	282	5.22	– 6.29
35	29	McDonald's	Dec. '90	8,650	6,835	4.85	6.02
36	30	Domino's Pizza	Dec. '90	5,400	3,780	4.13	5.99
37	18	Waffle House	June '91	700	385	4.05	10.45
38	40	Round Table Pizza	June '91	560	560	3.70	2.86
39	34	Sizzler	Apr. '91	636	440	3.29	5.19
40	41	Popeye's Chicken	Oct. '90	776	646	3.19	2.12
41	59	Village Inn	Oct. '90	228	104	2.97	– 13.68
42	54	Shakey's	Dec. '90	216	215	2.87	– 5.86
43	53	Hilton Hotels	Dec. '90	269	218	2.35	– 5.33
44	42	Dairy Queen	Nov. '90	4,680	4,675	1.15	1.56
45	31	Ponderosa	Feb. '91	710	310	0.98	5.86
46	37	Sonic Drive-In	Aug. '90	1020	930	0.87	3.60
47	57	Western Sizzlin'	Dec. '90	518	515	0.19	– 10.61
48	49	Kentucky Fried Chicken	Dec. '90	4,964	3,598	0.03	– 1.10
49	51	Chi-Chi's	Sept. '90	224	64	0.00	– 4.48
50	45	El Torito	Dec. '90	105	1	0.00	0.00
51	9	Roy Rogers	Dec. '90	648	285	0.00	26.11
52	46	Steak and Ale	June '91	159	1	0.00	0.00
53	43	Wendy's	Dec. '90	3,520	2,459	0.00	0.57
54	27	Burger King	Sept. '90	5,380	4,546	– 0.35	6.66
55	35	Holiday Inns	Dec. '90	1,578	1,401	– 0.36	3.99
56	52	Godfather's Pizza	May '91	511	340	– 0.87	– 4.72
57	55	Baskin-Robbins	Dec. '90	2,320	2,142	– 1.56	– 5.96
58	60	Bonanza	Feb. '91	502	500	– 1.57	– 16.72
59	50	Del Taco	Dec. '90	393	126	– 2.33	– 2.27
60	47	Rax	July '91	493	342	– 4.47	– 0.56
61	48	Ramada Inn	Dec. '90	459	444	– 8.26	– 0.82

Note: The 39 Top 100 chains not represented on this table do not franchise, with the exception of Krystal. From '89 to '90 Krystal's franchise system grew from zero to 10 units (of its total 245 units), a growth rate inexpressible as a percentage.

Questions & answers on the Top 100

Publication of the Top 100 issue usually tests the durability of NRN's switchboard by drawing a flood of inquiries about the rankings and how they were drafted. What follows are answers to some of the most frequently asked questions.

Q: Why wasn't my chain or company included in the listings?
A: Unless a chain generated at least $201.7 million in domestic systemwide sales, it will not appear on any of the Top 100 Chains listings. Similarly, a company had to generate at least $107.0 million in foodservice revenues — not total intake — to appear on the Top 100 Companies ranking.

Q: But my chain has more units than some of the chains included on the Top 100 ranking by number of units. Why wasn't it included on that lists?
A: Only the Top 100 chains, as ranked by systemwide sales, are ranked by such other criteria as number of units and sales per unit. In other words, the universe for those rankings is limited to those chains that appear on Top 100 Chains By Systemwide Sales ranking.

Q: My chain's per-unit sales average exceeds my competitor's averages, yet you listed them on segment rankings and omitted us. Shouldn't we be on those rankings?
A: Here again, only those chains appearing on the Top 100 chains ranking are included in the segment breakouts.

Q: My chain appears on every other industry sales rankings. How could it qualify for those and yet not make your list?
A: Each ranking uses different criteria. We believe that the Top 100 is the industry's most reliable listing because of our rigid adherence to strict standards.

Q: My company's revenues far exceed the tally for many of the chains on the Top 100 Companies ranking, and yet you omitted my concern. Why?
A: Companies were included on the Top 100 Companies list because of their foodservice revenues, not their total revenues. Proceeds from all other types of businesses — including distribution operations — were excluded from the figures.

Q: My chain's domestic systemwide sales are indeed higher than the totals for other chains on the Top 100 Chains ranking. Why wasn't it included?
A: Perhaps it should have been. We might have overlooked it during our research, or might have underestimated your growth in our projections for the coming year.
In any case, please help us avoid our mistake next year by providing us with the name and address of someone we can contact for information. Because the preparation of next year's Top 100 section will begin soon, please promptly send the information to: Top 100 Editor, Nation's Restaurant News, 425 Park Avenue, New York, N.Y. 10022.

Q: How do systemwide sales differ from revenues?
A: Systemwide sales consist of the intake of every company-owned and franchised outlet within a chain or multi-unit operation such as a contract feeder. Revenues are limited to a company's intake from its company-run units and franchise royalties.
For example, the intake of every McDonald's unit in the United States constitutes that chain's systemwide sales. But revenues for McDonald's Corp. are limited to the intake of company units and franchise royalties.

Q: What is reflected in the share-of-market figures?
A: Within our context, "share of market" means "share of the Top 100 sales totals." In other words, if a chain has a 3-percent share of market, that chain accounted for 3 percent of the systemwide-sales total for all chains included in the Top 100 ranking. It does not mean that the chain garnered 3 percent of total industry sales.
In the segment charts, the share-of-market chart lists major players' proportion of the sales generated by Top 100 chains competing within that sector.

Q: Where can I write to air comments and criticisms of the Top 100 rankings?
A: Address correspondence to Top 100 Editor, Nation's Restaurant News, 425 Park Avenue, New York, N.Y. 10022.

PIZZA CHAINS RANKED BY U.S. SYSTEMWIDE SALES

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Systemwide Sales (By Fiscal Year, in Millions) Current	Last full	Prior
1	1	Pizza Hut	Dec. '90	$3,680.0	$3,240.0	$2,890.0
2	2	Domino's Pizza	Dec. '90	2,600.0	2,500.0	2,300.0
3	3	Little Caesars Pizza	Dec. '90	1,500.0	1,130.0	908.0
4	4	Round Table Pizza	June '91	311.0	295.0	267.0
5	7	Sbarro	Dec. '90	250.0	196.0	154.0
6	5	Godfather's Pizza	May '91	240.0	236.0	245.0
7	6	Shakey's	Dec. '90	211.0	202.5	191.0
		TOTAL:		$8,792.0	$7,799.5	$6,955.0

Source: NRN Research.

PIZZA CHAINS RANKED BY SALES PER UNIT

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Sales Per Unit (By Fiscal Year, in Thousands) Current	Last full	Prior
1	1	Shakey's	Dec. '90	$655.0	$645.0	$640.0
2	2	Pizza Hut	Dec. '90	593.0	581.0	572.0
3	3	Sbarro	Dec. '90	575.0	560.0	540.0
4	4	Domino's Pizza	Dec. '90	520.0	487.0	441.0
5	5	Godfather's Pizza	May '91	450.0	440.0	414.0
6	6	Little Caesars Pizza	Dec. '90	440.0	437.0	426.0
7	7	Round Table Pizza	June '91	311.0	296.0	267.0
		AVERAGE:		$506.3	$492.3	$471.4

Source: NRN Research.

PIZZA CHAINS RANKED BY NUMBER OF U.S. UNITS

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Year-end Number of Units Current	Last Full	Prior
1	1	Pizza Hut	Dec. '90	7,010	6,400	5,900
2	2	Domino's Pizza	Dec. '90	5,400	5,185	4,893
3	3	Little Caesars Pizza	Dec. '90	3,197	2,632	2,400
4	4	Round Table Pizza	June '91	560	540	525
5	5	Godfather's Pizza	May '91	511	523	580
6	6	Sbarro	Dec. '90	470	384	316
7	7	Shakey's	Dec. '90	216	210	224
		TOTAL:		17,364	15,874	14,838

Source: NRN Research.

PIZZA CHAINS RANKED BY TOP 100 MARKET SHARE

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Annual Market Share Current	Last Full	Prior
1	1	Pizza Hut	Dec. '90	41.86%	41.54%	41.55%
2	2	Domino's Pizza	Dec. '90	29.57	32.05	33.07
3	3	Little Caesars Pizza	Dec. '90	17.06	14.49	13.06
4	4	Round Table Pizza	June '91	3.54	3.78	3.84
5	7	Sbarro	Dec. '90	2.84	2.51	2.21
6	5	Godfather's Pizza	May '91	2.73	3.03	3.52
7	6	Shakey's	Dec. '90	2.40	2.60	2.75

Source: NRN Research.

Red-hot pizza chains blister competition

The 'Big Three' pizzamakers explore new niches in bid to maintain dominance while rivals continue to battle for a bigger slice of the pie

by Milford Prewitt

The fastest-growing segment in the restaurant business is — to the surprise of no one — also among the industry's biggest newsmakers.

After topping hamburger three years ago as a growth leader in foodservice, pizza enters the 1990s as bullish as traders of a hot stock: Everybody wants a share, and those who have a few want more.

Major repositionings in market strategy and even, potentially, in corporate ownership portend a different look for the pizza industry during the balance of the decade. Meanwhile, the segment's three dominant chains — Pizza Hut, Domino's and Little Caesars — seem poised to continue their supremacy.

But the Big Three's hegemony in the 1990s faces some significant challenges, and those threats stem from the steady stream of news that emanates from the segment. Among the developments that bear ongoing scrutiny:

- Domino's new Pizzazz! concept, which breaks with tradition by giving the chain a table-service restaurant concept. Perhaps even more dramatically, Domino's has found a marketing partner in Burger King, which will sell Domino's products in test outlets of the giant Burger King system.
- The question mark called McDonald's and its continued flirtation with "McPizza" in four test markets.
- Pizza Hut's intention to shift emphasis from traditional red-roof restaurant development and open more delivery and carryout units — its so-called delco outlets — thereby eating into Domino's home-delivery terrain.
- The comeback of ShowBiz Pizza and Chuck E. Cheese's Pizza Time Theatre, subsidiaries of ShowBiz Pizza Time Inc., once poorly executed concepts that are currently rebounding on the strengths of heightened attention from consumers and investors.
- The rapid growth of Little Caesars, which emerges as the 11th-highest-grossing chain in NRN's 1990 Top 100 ranking, from No. 17 a year ago.
- Pizza Inn's emergence from bankruptcy and the chain's aggressive expansion plans, which include a vigorous thrust overseas.
- The continued margin erosions from incessant discounting, as two-for-one deals prevail throughout the segment.
- The expansion plans announced by some eight small but regionally dominant and entrenched pizza chains, companies whose total units will swell to 2,700 if their 1990 growth plans come to fruition.

With so many players investing in the segment, some are already voicing concern that pizza, like the once dominant hamburger category, is in danger of being overstored, with little room to fuel future sales growth.

"Pizza has been hot for a long while now, and it has grown faster than any other segment," says Bob O'Brien, an analyst with Chicago-based NPD CREST. "But it has grown so fast that it is beginning to reach a point where the rate of growth will begin slowing."

According to CREST data, pizza-segment sales are expected to rise about 19 percent in 1990, to $19 billion. The seven major pizza chains in the NRN Top 100 — Pizza Hut, Domino's, Little Caesars, Round Table, Sbarro, Godfather's and Shakey's — had combined systemwide sales of nearly $8.8 billion, or 46 percent of the $19 billion CREST tracked.

But the growth of the segment can perhaps best be tracked when it is compared with the growth rate of the burger segment.

To be sure, when examined on the basis of broad, systemwide indices, hamburger still reigns supreme, based on average per-unit sales, aggregate systemwide sales and number of units.

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A modular Pizza Hut delco-delivery carryout unit.

Eighteen hamburger and sandwich chains made it into the 1990 Top 100 rankings, vs. seven pizza chains. Those 18 sandwich chains operated a total of 41,905 units, in contrast with 17,364 pizza outlets. When the systemwide sales of the sandwich chains are merged, they add up to nearly $35.9 billion in 1990, compared with the Top 100 pizza segment's total sales of $8.8 billion.

But pizza's ascendance over the sandwich segment shows up clearly in comparisons of the aggregate annualized growth rates of both camps.

The sandwich chains' systemwide-sales growth rate was 7.7 percent from 1989 to 1990. In the two-year span between 1988 and 1990, NRN's Top 100 sandwich chains grew 16.1 percent.

But pizza chains in the Top 100 posted an aggregate year-to-year rate of growth of 12.7 percent from 1989 to 1990. And, in the two-year span from 1988 to 1990, combined pizza-segment sales rose 26.4 percent.

One factor leading to the growing consumption of the product is the increasing popularity of off-premises dining. Given the delivery and takeout experience of Domino's and Little Caesars and factoring in Pizza Hut's delco-unit expansion, off-premises pizza dining appears ripe for continued growth. The pizza segment's off-premises sales infrastructure also dovetails with the convenience demands of home diners who are, to quote a popular buzz phase of lifestyle demographers, "cash rich but time poor."

Still, pizza's greatest selling point may be its broad appeal.

"I expect the segment to continue to grow at a high rate, and one reason for that is that pizza enjoys an exceptionally broad demographic base," says Nancy Kruse, an analyst with the Technomic foodservice research and consulting group in Chicago.

Pizza "crosses all age groups, income levels, sexes, regions," Kruse adds, noting that "with off-premises consumption growing faster than on-premises consumption, operators have a unique opportunity to reach new customers."

DINNER-HOUSE CHAINS RANKED BY U.S. SYSTEMWIDE SALES

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Systemwide Sales (By Fiscal Year, in Millions) Current	Last full	Prior
1	1	Red Lobster	May '91	$1,400.0	$1,300.0	$1,200.0
2	4	Olive Garden	May '91	600.0	450.0	300.0
3	3	T.G.I. Friday's	Dec. '90	502.0	460.0	412.0
4	6	Chili's Grill & Bar	June '91	488.0	410.0	332.0
5	2	Bennigan's	June '91	475.0	471.0	458.7
6	5	Chi-Chi's	Sept. '90	468.6	430.5	402.9
7	8	Tony Roma's	Feb. '91	318.2	257.4	219.1
8	7	Ground Round	Dec. '90	290.0	262.7	248.1
9	10	El Torito	Dec. '90	231.8	218.1	214.8
10	9	Steak and Ale	June '91	230.0	223.8	214.4
11	11	Stuart Anderson's Black Angus	Dec. '90	228.0	216.0	203.8
12	12	Houlihan's	Dec. '90	222.7	190.2	179.6
13	13	Ruby Tuesday	May '91	204.0	173.5	125.8
		TOTAL:		$5,658.3	$5,063.2	$4,511.2

Source: NRN Research.

DINNER-HOUSE CHAINS RANKED BY SALES PER UNIT

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Sales Per Unit (By Fiscal Year, in Thousands) Current	Last full	Prior
1	1	T.G.I. Friday's	Dec. '90	$3,400.0	$3,300.0	$3,025.0
2	2	Houlihan's	Dec. '90	3,119.0	3,030.0	2,846.0
3	3	Red Lobster	May '91	3,050.0	2,990.0	2,830.0
4	4	Olive Garden	May '91	2,800.0	2,700.0	2,600.0
5	5	Stuart Anderson's Black Angus	Dec. '90	2,710.0	2,571.0	2,399.0
6	6	Chi-Chi's	Sept. '90	2,676.0	2,517.0	2,412.0
7	9	El Torito	Dec. '90	2,310.0	2,135.0	2,090.0
8	8	Chili's Grill & Bar	June '91	2,200.0	2,150.0	2,000.0
9	7	Tony Roma's	Feb. '91	2,179.5	2,163.3	2,148.2
10	10	Bennigan's	June '91	2,130.0	2,112.1	2,066.2
11	11	Ruby Tuesday	May '91	1,700.0	1,700.0	1,700.0
12	13	Ground Round	Dec. '90	1,450.0	1,347.0	1,279.0
13	12	Steak and Ale	June '91	1,446.5	1,407.5	1,340.0
		AVERAGE:		$2,397.8	$2,317.1	$2,210.4

Source: NRN Research.

Dinner houses lure aging baby boomers

Discriminating diners are turning away from fast food and fine dining and toward this midscale segment as they seek more bang for fewer bucks

by Paul Frumkin

As the 30-something generation continues to mature and its once-torrid love affairs with both fast food and fine dining cool, the midscale dinner-house segment is poised for a boom in sales and traffic.

"There is a very positive outlook for the midscale segment," explains Steven Rockwell, an analyst with Alex. Brown & Sons in Baltimore. "It's going to be the most attractive segment of the industry during the 1990s."

But even while experts are predicting a bright future, many of the chains in this field are already registering above-average results.

A study that was conducted by NPD CREST, the Park Ridge, Ill.-based foodservice research firm, shows that the dinner houses outperformed the industry as a whole during the past year.

Traffic for the category rose 7 percent for the year ended May 1990, easily surpassing the increase of 3 percent logged for the entire industry during the same period. At the same time, segment sales jumped 12 percent for the year ended May 1990 — nearly double the 7-percent increase logged by the industry as whole during that time.

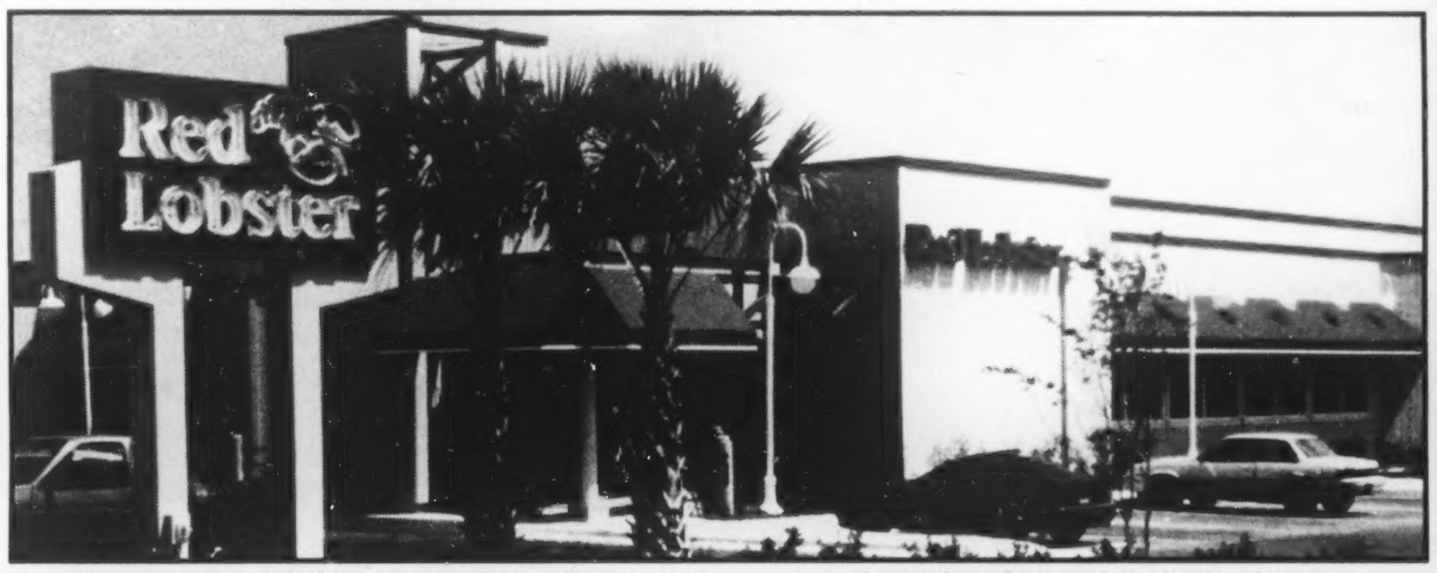
Experts point to changing demographic and social trends as the source of the dinner houses' newly found popularity. They say that a strange brew of increased expectations and decreased discretionary income is helping to make such chains as Red Lobster, Olive Garden, Chili's, T.G.I. Friday's and Bennigan's the restaurants of choice for the aging baby boomers.

In many cases customers are continuing to trade up from the all-American burger-and-fries experience of the past two decades, leaving previously invincible fast feeders to scramble for a somewhat-diminished clientele. "As people get older, they eat less in fast-food restaurants," observes Michael Mueller, an analyst for Montgomery Securities in San Francisco.

That trend was borne out in the extreme in the 1980s when free-spending DINKS — defined by pop demographers as "double-income, no-kids" couples — fueled the fine-dining explosion by spending lavishly at each new high-ticket restaurant that opened.

But with the decision to start families, those affluent boomers found they needed to restrict their amount of discretionary spending dramatically. Moreover, many had grown weary with the formality of fine-dining restaurants.

So, accustomed to both the convenience of the fast-food operations and the more sophisticated menus and table service of the upscale restaurants, the boomers began to turn to a market segment that offered something of both. Dinner houses, which also feature more moderate prices, were increasingly favored.



Red Lobster, which is one of the few restaurants of choice for aging baby boomers.

"Dinner houses offer good variety and good value," agrees Ron Paul, president of Chicago-based Technomics Inc. "They are filling a major consumer need."

The segment is by no means monolithic in its thinking, however. Different operational strategies are employed by each chain. For example, while customers expect dinner houses to offer diversified fare, approaches to menuing differ from concept to concept. General Mills' two high-energy growth vehicles, Red Lobster and Olive Garden, opt for menu promotions and limited seasonal additions rather than rollouts of revamped menus three or four times a year.

At Red Lobster, six to eight major food promotions are featured annually, of which Lobster Fest is one of the most popular. At the same time various seafood combination plates are also offered, based on supply.

Olive Garden follows much the same policy, implementing such limited-time menu events as the popular "Carnival of Venice," which showcased

*(See **DINNER HOUSE**, page 95)*

DINNER-HOUSE CHAINS RANKED BY NUMBER OF U.S. UNITS

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Year-end Number of Units Current	Last Full	Prior
1	1	Red Lobster	May '91	481	461	444
2	5	Olive Garden	May '91	250	200	155
3	3	Chili's Grill & Bar	June '91	247	211	174
4	4	Chi-Chi's	Sept. '90	224	208	196
5	2	Bennigan's	June '91	223	223	222
6	6	Ground Round	Dec. '90	203	196	194
7	8	T.G.I. Friday's	Dec. '90	169	153	148
8	7	Steak and Ale	June '91	159	159	160
9	9	Tony Roma's	Feb. '91	146	119	102
10	10	Ruby Tuesday	May '91	145	111	83
11	11	El Torito	Dec. '90	105	103	101
12	12	Stuart Anderson's Black Angus	Dec. '90	84	84	84
13	13	Houlihan's	Dec. '90	77	69	64
		TOTAL:		2,513	2,297	2,127

Source: NRN Research.

DINNER-HOUSE CHAINS RANKED BY TOP 100 MARKET SHARE

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Annual Market Share Current	Last Full	Prior
1	1	Red Lobster	May '91	24.74%	25.68%	26.60%
2	4	Olive Garden	May '91	10.60	8.89	6.65
3	3	T.G.I. Friday's	Dec. '90	8.87	9.09	9.13
4	6	Chili's Grill & Bar	June '91	8.62	8.10	7.36
5	2	Bennigan's	June '91	8.39	9.30	10.17
6	5	Chi-Chi's	Sept. '90	8.28	8.50	8.93
7	8	Tony Roma's	Feb. '91	5.62	5.08	4.86
8	7	Ground Round	Dec. '90	5.13	5.19	5.50
9	10	El Torito	Dec. '90	4.10	4.31	4.76
10	9	Steak and Ale	June '91	4.06	4.42	4.75
11	11	Stuart Anderson's Black Angus	Dec. '90	4.03	4.27	4.52
12	12	Houlihan's	Dec. '90	3.94	3.76	3.98
13	13	Ruby Tuesday	May '91	3.61	3.43	2.79

Source: NRN Research.

FAMILY CHAINS RANKED BY U.S. SYSTEMWIDE SALES

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Systemwide Sales (By Fiscal Year, in Millions) Current	Last full	Prior
1	1	Denny's	Dec. '90	$1,451.4	$1,346.9	$1,267.9
2	2	Big Boy	Dec. '90	1,100.0	1,000.0	994.0
3	3	Shoney's	Oct. '90	927.0	862.4	798.6
4	4	Friendly's Restaurants	Dec. '90	581.0	557.0	563.0
5	5	Perkins Family Restaurants	Dec. '90	457.0	423.0	375.0
6	6	Int'l House of Pancakes	Dec. '90	398.0	359.0	315.0
7	7	Bob Evans Farms	Apr. '91	359.8	322.3	293.5
8	8	Waffle House	June '91	274.0	270.5	256.7
9	12	Cracker Barrel	Aug. '91	265.0	215.0	169.5
10	11	Bakers Square	Oct. '90	250.0	216.8	189.4
11	10	Marie Callender's	Dec. '90	240.0	230.0	210.0
12	9	Village Inn	Oct. '90	240.0	234.6	229.7
		TOTAL:		$6,543.2	$6,037.5	$5,662.3

Source: NRN Research.

FAMILY CHAINS RANKED BY SALES PER UNIT

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Sales Per Unit (By Fiscal Year, in Thousands) Current	Last full	Prior
1	1	Cracker Barrel	Aug. '91	$2,800.0	$2,700.0	$2,100.0
2	2	Marie Callender's	Dec. '90	1,600.0	1,600.0	1,650.0
3	4	Bakers Square	Oct. '90	1,550.0	1,424.0	1,294.0
4	3	Shoney's	Oct. '90	1,525.0	1,453.0	1,371.0
5	5	Bob Evans Farms	Apr. '91	1,400.0	1,400.0	1,350.0
6	6	Perkins Family Restaurants	Dec. '90	1,330.0	1,300.0	1,200.0
7	7	Denny's	Dec. '90	1,177.0	1,123.0	1,069.0
8	8	Village Inn	Oct. '90	1,150.0	1,054.0	919.0
9	9	Big Boy	Dec. '90	1,000.0	1,000.0	1,000.0
10	10	Int'l House of Pancakes	Dec. '90	794.0	747.0	688.0
11	11	Friendly's Restaurants	Dec. '90	700.0	685.0	675.0
12	12	Waffle House	June '91	395.0	395.0	395.0
		AVERAGE:		$1,285.1	$1,240.1	$1,142.6

Source: NRN Research.

FAMILY CHAINS RANKED BY NUMBER OF U.S. UNITS

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Year-end Number of Units Current	Last Full	Prior
1	1	Denny's	Dec. '90	1,334	1,274	1,234
2	2	Big Boy	Dec. '90	1,132	1,030	1,030
3	3	Friendly's Restaurants	Dec. '90	830	823	845
4	5	Shoney's	Oct. '90	734	680	636
5	4	Waffle House	June '91	700	685	650
6	6	International House of Pancakes	Dec. '90	501	480	458
7	7	Perkins Family Restaurants	Dec. '90	400	371	341
8	8	Bob Evans Farms	Apr. '91	261	241	232
9	9	Village Inn	Oct. '90	228	234	267
10	10	Bakers Square	Oct. '90	173	159	151
11	11	Marie Callender's	Dec. '90	163	157	145
12	12	Cracker Barrel	Aug. '91	103	88	73
		TOTAL:		6,559	6,222	6,062

Source: NRN Research.

FAMILY CHAINS RANKED BY TOP 100 MARKET SHARE

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Annual Market Share Current	Last Full	Prior
1	1	Denny's	Dec. '90	22.18%	22.31%	22.39%
2	2	Big Boy	Dec. '90	16.81	16.56	17.55
3	3	Shoney's	Oct. '90	14.17	14.28	14.10
4	4	Friendly's Restaurants	Dec. '90	8.88	9.23	9.94
5	5	Perkins Family Restaurants	Dec. '90	6.98	7.01	6.62
6	6	International House of Pancakes	Dec. '90	6.08	5.95	5.56
7	7	Bob Evans Farms	Apr. '91	5.50	5.34	5.18
8	8	Waffle House	June '91	4.19	4.48	4.53
9	12	Cracker Barrel	Aug. '91	4.05	3.56	2.99
10	11	Bakers Square	Oct. '90	3.82	3.59	3.34
11	10	Marie Callender's	Dec. '90	3.67	3.81	3.71
12	9	Village Inn	Oct. '90	3.67	3.89	4.06

Source: NRN Research.

Family feeders woo maturing market

Focus on value, service and three meals a day puts family restaurants back on the 'in' list, but competition looms in form of budget steak and dinner houses

by Carolyn Walkup

Family restaurants are emerging as strong contenders in the battle to capture aging baby boomers who seem to be defecting increasingly from fast food.

"There is a theory that says as the population ages, [people] will be less interested in fast food and more interested in good service and good price-value," says analyst Nancy Kruse of Technomic Inc. in Chicago. Thus, family-restaurant chains "could be nicely positioned for the future."

"A few years ago this segment was perceived as out of it," remarks Bob O'Brien of the NPD CREST research firm, in Park Ridge, Ill. "Family restaurants are showing some relative health, certainly better than in the mid-1980s."

Roger Lipton of the Ladenburg, Thalmann investment research firm in New York, concurs that "the segment is doing relatively well because of aging baby boomers who are going there. The future looks increasingly attractive to these operators."

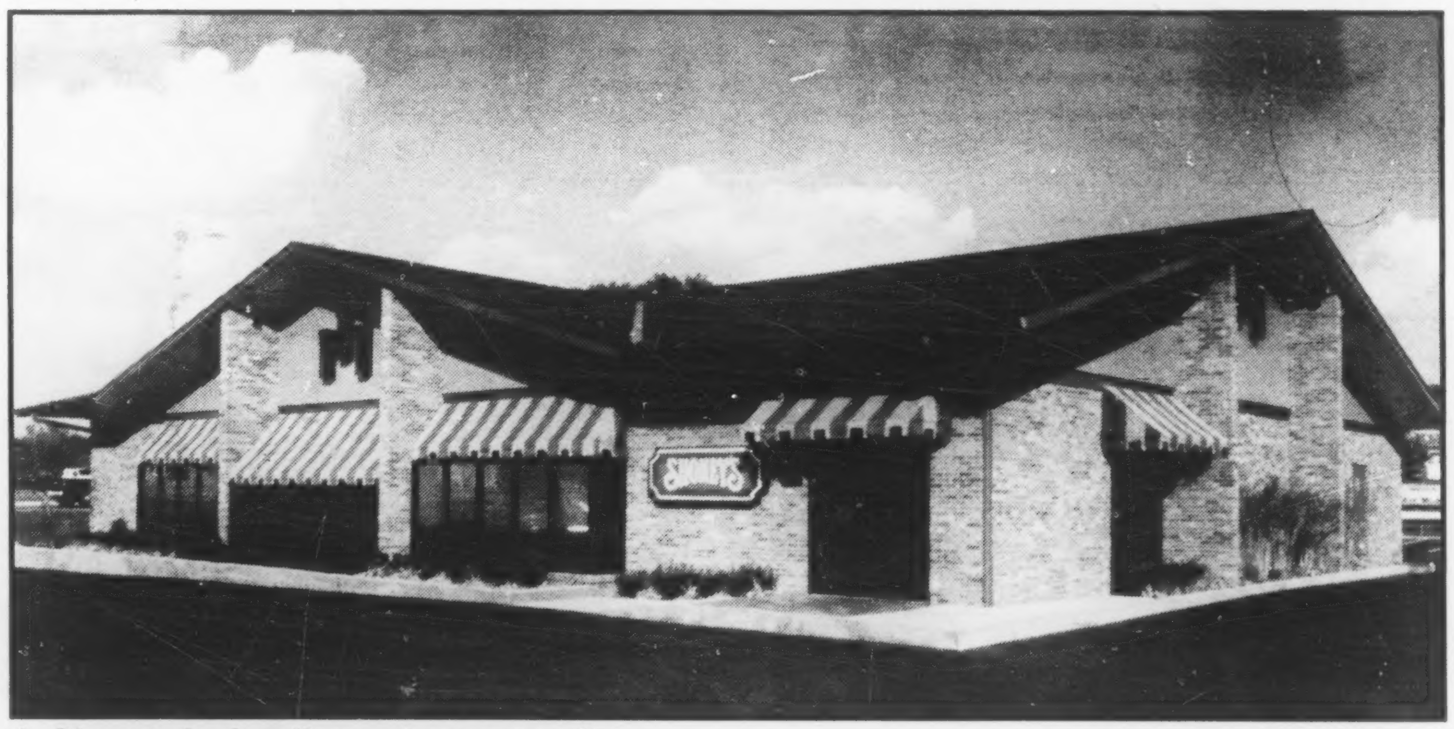
Although family chains may feel less threatened by fast-food rivals, other industry segments could pose rising risks. Kruse and Michael Mueller, an analyst at Montgomery Securities in San Francisco, predict that budget steak houses are becoming the family-restaurant chains' biggest competitors, because the steak chains have broadened their menus and hold the line on menu pricing.

However, most family restaurants have helped their cause by driving home the message that they serve lunch and dinner as well as breakfast. International House of Pancakes, in particular, has offset its former breakfast-only image by refining and promoting its lunch and dinner menus. The strategy has paid off with same-store sales increases every month for the last 96 months, according to Stephen Pettise, IHOP's marketing vice president.

Other chains, too, have boosted non-breakfast traffic by offering frequently changing promotions centered around popular center-of-plate items. National chains often run lunch and dinner promotions that vary from region to region to correspond to local taste preferences.

An exception to the three-meal imperative is Shoney's, which continues to emphasize breakfast. "One of our customers' favorite menu offerings is our breakfast bar," says Ty Hasty, Shoney's senior vice president of marketing. "We will continue to add items to the bar based on our customers' input and look for breakfast to continue to be one of our real strengths."

At least one growing chain, Marie Callender's, which serves breakfast in only a few of its 160 units, is viewed as being a notch above the family segment, if not quite as a dinner house. One of the major competitors of Marie Callender's, at least in Southern California, is Sizzler, according to Vince Kikugawa, Marie Callender's president.



A Shoney's family restaurant unit.

While Callender's, which emphasizes lunch and dinner, has the segment's highest check average — between $7.50 and $8 — most family chains are caught in the trap of holding down prices while trying to upgrade image and food quality. "Their price points are not that much more than [those of] fast food now. They are reluctant to raise prices," analyst Mueller notes.

Shoney's officials say the chain plans to maintain a leadership position in the family dining segment by offering a wide variety of menu items and attractive pricing. "That's what our customers want," Hasty explains.

Although Denny's is trying to upgrade its food quality, the segment's largest chain "doesn't anticipate menu-price increases," according to marketing vice president Sue Henderson. She indicates that higher unit volumes at Denny's have resulted from positive consumer response to new menus, renewed decor and improved operations and marketing programs, such as a 10-minute-service lunch guarantee.

Denny's and most of the other mature players in the segment are remodeling older units in hopes of competing more effectively against dinner houses and independents. Among the redesign trends are lighter colors, upholstered

*(See **FAMILY**, page 96)*

CONTRACT CHAINS RANKED BY SYSTEMWIDE SALES

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	U.S. Systemwide Foodservice Sales (By Fiscal Year, In Millions)		
				Current	Last full	Prior
1	1	Marriott Food and Services Mgt.	Dec. '90	$ 2,350.0	$ 2,120.0	$1,880.0
2	2	Canteen Corp.	Dec. '90	1,470.0	1,390.0	1,330.0
3	3	ARA Services/ARASERVE	Sept. '90	1,465.0	1,350.0	1,300.0
4	4	Service America	Mar. '91	1,360.0	1,170.0	1,060.0
5	6	Marriott In-Flite	Dec. '90	656.0	569.0	543.0
6	5	Host International	Dec. '90	638.0	609.0	525.0
7	7	Sky Chefs	Dec. '90	449.0	403.0	377.0
8	8	Morrison Custom Management	May '91	397.0	384.0	343.0
9	9	Seiler Corp.	Aug. '90	392.1	350.0	306.0
10	10	Dobbs International	Dec. '90	293.0	277.0	261.0
11	11	ServiceMaster Food Services	Dec. '90	273.0	241.0	208.0
12	12	Harry M. Stevens	Dec. '90	258.0	227.6	216.4
13	13	Ogden Allied Entertainment Svcs.	Dec. '90	245.0	224.0	206.0
14	15	Sportservice	Dec. '90	226.7	209.0	193.0
15	14	Daka	June '91	226.0	210.0	210.0
16	16	Dobbs Houses	Dec. '90	217.0	197.0	205.0
17	17	Concession Air	Dec. '90	212.0	195.3	178.5
		TOTAL:		$11,127.8	$10,125.9	$9,341.9

Source: NRN Research.

CONTRACT CHAINS RANKED BY SALES PER UNIT

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Sales Per Unit (By Fiscal Year, in Thousands)		
				Current	Last full	Prior
1	1	Marriott In-Flite	Dec. '90	$14,500.0	$13,500.0	$13,300.0
2	2	Sky Chefs	Dec. '90	12,130.0	11,570.0	11,080.0
3	4	Harry M. Stevens	Dec. '90	6,450.0	5,700.0	5,900.0
4	3	Dobbs International	Dec. '90	5,860.0	6,020.0	6,000.0
5	5	Concession Air	Dec. '90	4,510.0	4,340.0	3,960.0
6	6	Sportservice	Dec. '90	3,010.0	3,030.0	3,200.0
7	7	Ogden Allied Ent.Servs.	Dec. '90	2,400.0	2,800.0	3,100.0
8	9	Host International	Dec. '90	1,060.0	1,040.0	935.0
9	8	Marriott Food and Servs. Mgmt.	Dec. '90	1,060.0	1,050.0	959.0
10	11	Seiler Corp.	Aug. '90	980.0	886.0	807.4
11	10	ServiceMaster Food Services	Dec. '90	968.0	909.0	812.0
12	12	Canteen Corp.	Dec. '90	901.8	875.9	861.0
13	13	Service America	Mar. '91	780.2	688.3	623.5
14	15	Dobbs Houses	Dec. '90	571.0	539.0	585.0
15	14	ARA Services/ARASERVE	Sept. '90	563.0	542.0	578.0
16	16	Daka	June '91	538.0	525.0	525.0
17	17	Morrison Custom Management	May '91	441.0	430.0	385.0
		AVERAGE:		$ 3,336.6	$ 3,202.7	$ 3,153.6

Source: NRN Research.

Contract feeders steer toward 'branding'

Contract segment steps up emphasis on recognizable brand-names, launches new merchandising ideas to hold onto customers and increase market share

by Bill Carlino

In their ongoing efforts to keep diners from hitting the streets at mealtimes, contract feeders are launching on-premises franchises of national fast-food chains and merchandising new varieties of proprietary cuisines.

Business and industry, health care and college foodservice accounts — once the purveyors of nondescript fare served in austere cafeteria settings — now showcase foods as varied as fettuccine Alfredo and Wendy's chicken sandwiches.

While the past decade was an era marked by consolidation and concept diversification in the $10 billion contract segment, the 1990s are shaping up as a time when more non-commercial operators will adopt mainstream retail modes in their traffic-share battles against "name-brand" restaurants.

"The contract segment has been stereotyped as feeding a 'captive' population," says foodservice consultant Malcolm Knapp, president of Malcolm Knapp Inc., in New York. But contract patrons "are not captive all day," Knapp notes. "Recognized brand names and new lines of popular dishes put customers at ease."

During the past year Stamford, Conn.-based Service America Corp. has been one of the contract feeders leading the segment's charge toward "branding." The company is now under the direction of chief executive Steve Leipsner, who was dubbed the "father of branding" as a result of his seven-year stint as head of Marriott's multi-brand Travel Plazas division.

Since Leipsner's arrival, Service America has secured franchises of national fast-food chains like Dunkin' Donuts, Wendy's, Little Caesars and I Can't Believe it's Yogurt. Service America also secured the largest account in its history — Ameritech, the parent company of several of Bell Telephone's Midwestern operations.

However, despite the new retail stance, a second consecutive annual loss has forced Service America to restructure its debt-payment schedule with GE Capital Corp., its senior creditor.

Philadephia-based ARA Services has launched an array of proprietary marketing vehicles in its business dining division, including Leghorn's, a grilled chicken concept; Allegro's, a health-oriented pasta outlet; and "Solo," a personal-sized pizza sold in account locations that feature ARA's Itsa Pizza product.

"Contract foodservice has become a highly merchandised vehicle," acknowledges John Farquharson, president of ARASERVE, the foodservice and vending umbrella of ARA Services. "Customers are more critical and demanding than they were 10 years ago, and operators have to do more to keep them in the building for meals."

ARA's school nutrition services division recently captured the foodservice contract for the Duval County School Board in Jacksonville, Fla., a $25 million account believed to be among the largest ever managed by a contract feeder. Under the terms of the Duval contract, ARA will oversee feeding for a total of 144 elementary and secondary schools.

Marriott Corp., which grabbed major industry headlines in past years with the acquisition of Saga Corp. and the sale of the Marriott In-Flite airline catering division, kicked off 1990 by unveiling a restructuring plan to divest its family restaurants and its Roy Rogers division. The spin-offs will clear the way for Marriott to focus on its lodging and contract feeding arms.

Marriott's contract division strengthened its foothold in the business and industry market of New York City by acquiring Corporate Food Services, an operator specializing in

(See CONTRACT FEEDERS, page 98)

CONTRACT CHAINS RANKED BY NUMBER OF U.S. UNITS

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Year-end Number of Units		
				Current	Last Full	Prior
1	1	ARA Services/ARASERVE	Sept. '90	2,600	2,550	2,350
2	2	Marriott Food and Services Mgt.	Dec. '90	2,200	2,005	1,960
3	3	Service America	Mar. '91	1,743	1,700	1,700
4	4	Canteen Corp.	Dec. '90	1,630	1,577	1,543
5	5	Morrison Custom Management	May '91	900	892	890
6	6	Host International	Dec. '90	600	582	561
7	7	Daka	June '91	420	400	400
8	8	Seiler Corp.	Aug. '90	400	395	379
9	9	Dobbs Houses	Dec. '90	380	363	350
10	10	ServiceMaster Food Services	Dec. '90	282	265	256
11	11	Ogden Allied Entertainment Servs.	Dec. '90	102	80	69
12	12	Sportservice	Dec. '90	75	69	61
13	13	Dobbs International	Dec. '90	50	46	44
14	14	Concession Air	Dec. '90	47	45	43
15	15	Marriott In-Flite	Dec. '90	45	42	40
16	16	Harry M. Stevens	Dec. '90	40	40	37
17	17	Sky Chefs	Dec. '90	37	35	34
		TOTAL:		11,551	11,086	10,717

Source: NRN Research.

CONTRACT CHAINS RANKED BY TOP 100 MARKET SHARE

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Annual Market Share		
				Current	Last Full	Prior
1	1	Marriott Food and Services Mgt.	Dec. '90	21.12%	20.94%	20.12%
2	2	Canteen Corp.	Dec. '90	13.21	13.73	14.24
3	3	ARA Services/ARASERVE	Sept. '90	13.17	13.33	13.92
4	4	Service America	Mar. '91	12.22	11.55	11.35
5	6	Marriott In-Flite	Dec. '90	5.90	5.62	5.81
6	5	Host International	Dec. '90	5.73	6.01	5.62
7	7	Sky Chefs	Dec. '90	4.03	3.98	4.04
8	8	Morrison Custom Management	May '91	3.57	3.79	3.67
9	9	Seiler Corp.	Aug. '90	3.52	3.46	3.28
10	10	Dobbs International	Dec. '90	2.63	2.74	2.79
11	11	ServiceMaster Food Services	Dec. '90	2.45	2.38	2.23
12	12	Harry M. Stevens	Dec. '90	2.32	2.25	2.32
13	13	Ogden Allied Entertainment Servs.	Dec. '90	2.20	2.21	2.21
14	15	Sportservice	Dec. '90	2.04	2.06	2.07
15	14	Daka	June '91	2.03	2.07	2.25
16	16	Dobbs Houses	Dec. '90	1.95	1.95	2.19
17	17	Concession Air	Dec. '90	1.91	1.93	1.91

Source: NRN Research.

HOTEL CHAINS RANKED BY U.S. FOODSERVICE SALES

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Systemwide Sales (By Fiscal Year, in Millions) Current	Last full	Prior
1	1	Marriott Hotels & Resorts	Dec. '90	$1,188.0	$1,106.0	$1,014.7
2	2	Hilton Hotels	Dec. '90	1,013.8	921.1	945.1
3	3	Sheraton Hotels	Dec. '90	1,010.8	911.4	980.4
4	4	Holiday Inns	Dec. '90	573.9	547.4	504.8
5	5	Hyatt Hotels	Jan. '91	401.4	353.9	304.8
6	8	Radisson Hotels	Dec. '90	345.0	278.0	216.0
7	6	Ramada Inn	Dec. '90	317.9	328.2	314.4
8	7	Westin Hotels	Dec. '90	297.2	285.6	266.1
		TOTAL:		$5,148.0	$4,731.6	$4,546.3

Source: NRN Research.

HOTEL CHAINS RANKED BY FOODSERVICE SALES PER HOTEL

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Foodservice Sales Per Hotel (By Fiscal Year, in Thousands) Current	Last Full	Prior
1	1	Westin Hotels	Dec. '90	$8,741.0	$8,400.0	$8,063.0
2	2	Hilton Hotels	Dec. '90	3,769.0	3,530.0	3,500.0
3	3	Hyatt Hotels	Jan. '91	3,682.0	3,504.0	3,350.0
4	5	Marriott Hotels & Resorts	Dec. '90	3,135.0	3,351.0	3,510.0
5	4	Sheraton Hotels	Dec. '90	3,100.0	3,430.0	3,440.0
6	6	Radisson Hotels	Dec. '90	1,930.0	1,830.0	1,770.0
7	7	Ramada Inn	Dec. '90	692.5	660.8	627.5
8	8	Holiday Inns	Dec. '90	363.7	346.4	330.8
		AVERAGE:		$3,176.7	$3,131.5	$3,073.9

Source: NRN Research.

Hotels look to R&D to boost business of F&B

With plenty of room at the inn, hotels tap demographics to draw in customers

by Peter Romeo

A severe slowdown in room rentals is transforming the food and beverage departments of top hotel chains into sophisticated research operations that use statistics to draw a bead on the customers of freestanding restaurants and caterers.

"Intuition doesn't work anymore," says Don Clawson, vice president of food and beverage for Radisson Hotels. "Research, research, research — that's the crucial word today."

In recent years the supply of hotel rooms has grossly outstripped demand, leaving many properties unable to capture the overnight guests who supplied lodging restaurants with the bulk of their traffic.

"The key today is appealing to the community, particularly in the banquets market," says Robert Patterson, a lodging specialist for Laventhol & Horwath, the accounting and consulting concern. "It's a matter of coming up with the right formula to draw customers from outside the hotel."

"When the F & B [food and beverage operation] is well conceived and well operated and where there's a good community market, it can do very well," he says. But a misfire can burden a property with a voracious profit eater.

"I hear operators say that they would rather give a meal away once a day than run a food and beverage operation," says Patterson, noting how many new hotels today forgo restaurants and instead provide guests with a free breakfast.

"You see a huge decline in customer traffic," notes Walter Staib, the former Omni Hotels food-and-beverage chief who now has his own consultancy, Staib & Associates of Bryn Mawr, Pa. "Today a lot of people are running scared. You see more people spending money for R & D [research and development]."

"Today we provide exactly what the customers want, not what we want to give them," remarks Peter Kleiser, senior vice president of food and beverage operations for Hilton Hotels Corp. "Like a lot of hotel companies today, we don't have a typical hotel restaurant anymore."

Indeed, most of the major players are moving far afield from the staid Continental restaurants that were once the norm.

"We really stay away from those 'museum rooms,'" Kleiser says. "Today we build a lot of theme restaurants — Italian, Japanese, Chinese, Spanish, everything. Our menus are as good as freestanding restaurants' menus were 10 years ago."

"In some markets we're serving rice for breakfast, or we use *bento* boxes," the compartmentalized serving containers used in Japan, Kleiser explains. "You wouldn't have seen anything like that 10 years ago."

"We've done everything from Oriental to Mediterranean restaurants, a full range," says David Zadikoff, Hyatt's senior vice president of food and beverage operations. "Everything is fine dining, but the setting is comfortable, not intimidating."

At Radisson the food and beverage department collates and studies demographic information before it considers what restaurant concepts would thrive in a given location. Further input is gathered from focus groups of travelers and neighbors of the hotel.

*(See **HOTELS**, page 108)*

CAFETERIA CHAINS RANKED BY U.S. SYSTEMWIDE SALES

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	U.S. Systemwide Sales (By Fiscal Year, in Millions) Current	Last full	Prior
1	3	Luby's Cafeteria	Aug. '90	$ 315.0	$ 283.3	$ 254.3
2	2	Piccadilly	June '91	315.0	290.0	276.0
3	1	Morrison's	May '91	300.0	292.0	296.0
4	4	Furr's Cafeterias	Dec. '90	245.0	230.0	215.0
		TOTAL:		$1,175.0	$1,095.3	$1,041.3

Source: NRN Research.

CAFETERIA CHAINS RANKED BY SALES PER UNIT

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Sales Per Unit (By Fiscal Year, in Thousands) Current	Last full	Prior
1	1	Luby's Cafeteria	Aug. '90	$2,420.0	$2,400.0	$2,345.0
2	2	Piccadilly	June '91	2,250.0	2,050.0	1,900.0
3	3	Furr's Cafeterias	Dec. '90	1,900.0	1,815.0	1,800.0
3	4	Morrison's	May '91	1,900.0	1,800.0	1,750.0
		AVERAGE:		$2,117.5	$2,016.3	$1,948.8

Source: NRN Research.

CAFETERIA CHAINS RANKED BY NUMBER OF U.S. UNITS

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Year-end Number of Units Current	Last Full	Prior
1	1	Morrison's	May '91	176	174	169
2	2	Piccadilly	June '91	158	147	138
3	4	Luby's Cafeteria	Aug. '90	137	124	113
4	3	Furr's Cafeterias	Dec. '90	130	125	120
		TOTAL:		601	570	540

Source: NRN Research.

Cafeterias branch out in search for new growth

Operators fight slow growth by testing new menus or even whole new concepts

by Carolyn Walkup

Cafeterias are exploring diversification and promoting the value inherent in their segment as ways to combat generally slow growth and lagging customer counts.

"Cafeterias are not dead concepts, but they clearly are not growth vehicles," said Don Ratajczak, an economist at Georgia State University and a Morrison's director. "Morrison's has moved aggressively into specialty restaurants and contract feeding," he says, where better growth has occurred.

Morrison's is not opening any new cafeterias unless it can develop one in tandem with one of the company's other restaurants, such as a Ruby Tuesday's dinner house, Ratajczak notes. He credits competitors Luby's and Piccadilly with achieving growth rates superior to Morrison's.

Both of those chains surpassed Morrison's this year to lead the segment in total sales.

Virtually tied for first place, Luby's and Piccadilly projected that their sales for the current year would be about $315 million. Luby's was the bigger gainer, up from $283 million last year, compared with $290 last year for Piccadilly.

Morrison's gained only $8 million over last year for a projected total of $300 million, followed by the smaller Furr's at $245 million. Sales per unit of $1.9 million for both chains compare with $2.4 million for Luby's and $2.25 million for Piccadilly.

All four chains are based in the South and have not managed to gain strong penetration north of the Mason-Dixon line. Still, Luby's reached its 10-percent annual expansion goal as it continued to concentrate on cafeterias, its sole line of business.

"We have no plans to go outside of that market," John Curtis Jr., Luby's chief financial officer, says. "We call it controlled, quality growth. We are opening new stores, but we don't let our existing base deteriorate."

Curtis foresees the market for cafeteria meals expanding in the coming decade in all age groups. Since Luby's average customer is about 45, the large numbers of baby boomers who are nearing that age comprise a good potential market.

Luby's continues to open more cafeterias in Florida, where competitors earlier gained acceptance for the cafeteria concept. Curtis sees the Sunshine State as a growing market in the next decade.

Piccadilly opened nine new cafeterias in its past fiscal year while simultaneously expanding the Ralph & Kacoo's Cajun seafood dinner-house chain, which it acquired last year. Six of the seafood outlets are open now, and four more are on the drawing boards for the next two years.

"Our focus has been on operating

*(See **CAFETERIAS**, page 100)*

Chicken chains scratching for ideas

As burger chains continue to delve into this field, specialty operators are seeking innovative ways to market their birds — and fend off the competition

by Peter O. Keegan

With burger chains diversifying into poultry and concerns about nutrition driving consumers toward non-fried items, chains in the chicken segment are being forced to rethink their competitive strategies.

Rival sandwich chains are scrambling to add chicken to their menus, as the popularity of chicken rises and beef-eating falters. Burger King, Hardee's and Roy Rogers are among the burger outfits that are luring in new customers by offering grilled-chicken sandwiches.

Meanwhile, sandwich items are still being added to the menu boards of the chicken specialists themselves. El Pollo Loco's systemwide rollout of a skinless, marinated, chargrilled breast sandwich is currently nearing completion, and Kentucky Fried Chicken is test-marketing a new grilled sandwich.

The competitive threats that are posed by burger chains are not limited to the sandwich arena. Hardee's, for instance, has begun edging into the mainstream of the chicken market through the phased introduction of bone-in fried chicken — a program it is adopting from its new sister chain, Roy Rogers.

And McDonald's has begun testing a fried, bone-in chicken product that could lead to its full-blown entry into the finger-lickin' field.

Kentucky Fried Chicken, the leader of the chicken segment, is rebounding off of a bad year in 1989 and has shown stronger sales in the first quarter of 1990. However, the highly publicized introduction of Hot Wings, KFC's attempt to garner a share of the burgeoning Buffalo-style chicken wing market, was marred after a supply snafu kept units from meeting demand and ads were pulled from national airwaves.

KFC's critics say the company has not been swift enough in its rollout of new products. Dick Detwiler, a spokesman for KFC, says a grilled- chicken sandwich and roasted chicken on the bone are selling well at KFC test outlets in preparation for rollouts. However, KFC has not said when the products would be launched.

"There are a fair number of consumers who are looking for an alternative to fried chicken," Detwiler says. "And we'd like to offer a non-fried alternative to consumers who are not visiting KFC now — or as often as they might — because of nutritional concerns." Currently, KFC's standard menu features a fried-chicken sand-

(See *CHICKEN*, page 102)

CHICKEN CHAINS RANKED BY U.S. SYSTEMWIDE SALES

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Systemwide Sales (By Fiscal Year, in Millions) Current	Last full	Prior
1	1	Kentucky Fried Chicken	Dec. '90	$3,162.1	$3,000.0	$2,900.0
2	2	Church's Fried Chicken	Oct. '90	567.0	530.0	405.5
3	3	Popeye's Chicken	Oct. '90	561.0	525.0	485.0
4	4	Chick-fil-A	Dec. '90	296.0	263.8	232.2
5	5	El Pollo Loco	Dec. '90	220.0	168.0	121.0
		TOTAL:		$4,806.1	$4,486.8	$4,143.7

Source: NRN Research.

CHICKEN CHAINS RANKED BY SALES PER UNIT

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Sales Per Unit (By Fiscal Year, in Thousands) Current	Last full	Prior
1	1	El Pollo Loco	Dec. '90	$1,050.0	$1,010.0	$1,018.0
2	2	Popeye's Chicken	Oct. '90	759.7	710.0	725.0
3	3	Chick-fil-A	Dec. '90	665.2	660.6	621.5
4	4	Kentucky Fried Chicken	Dec. '90	635.0	607.0	597.0
5	5	Church's Fried Chicken	Oct. '90	445.0	415.0	377.7
		AVERAGE:		$ 711.0	$ 680.5	$ 667.8

Source: NRN Research.

Steak chains face beefed-up competition

The decline in beef sales — which prompted budget steak operators to diversify menus — now leaves the segment battling head to head with family restaurants

by Jack Hayes

Like out-of-breath good guys in a James Bond adventure, the nation's budget-steak restaurateurs are finding themselves at risk in a hostile world of high-volume family dining.

The intrepid steak operators, who armed their restaurants with salad bars, sandwich menus and all-you-can-eat hot-food buffets to counteract declining beef sales in recent years, admit that they have pushed themselves into combat with such family-restaurant giants as Big Boy, Denny's, Perkin's and Shoney's.

Steak chains are also competing with such cafeterias as Morrison's and against aggressive food bar chains like Old Country Buffet — both of which promote price-value and big portions to lure the same budget-minded clientele sought by the beef operators.

"We're co-mingling with the other family concepts," says Michael Minchin, executive marketing vice president of Sizzler Restaurants International, which operates more than 600 Sizzler Steak Seafood & Salad units nationwide.

As the largest player in the segment, Sizzler led the budget-steak field's "image" conversion in the mid-1980s with a host of menu diversifications. In fact, Sizzler's own image took another step away from steak this year with the debut of Sizzler Buffet Court & Grill, an increasingly dispersed "scatter bar" hybrid of its buffet island concept.

Minchin sees a tough year on the domestic front for steak operators who want to add new stores or who need to boost their average-unit sales. Competition — worsened by rising food, labor and overhead costs — makes international expansion a more logical alternative, he says.

Southeastern chains, in particular, recall the freeze that wiped out winter crops across the Sunbelt last December — driving crucial produce prices to four times their normal level and playing havoc with the first-quarter profits of steak chains, whose food bars have made them increasingly produce-dependent.

"Disposable income is shrinking," Minchin explains. "I see consolidation and a tougher year ahead. I sense that operators are going to have to get smarter in order to survive."

Even Ryan's Family Steak Houses, a darling of the budget segment, will have its hands full keeping weekly cover counts at 8,500 to 9,000, so that $2 million store volumes can be maintained, president Charles Way says.

"The challenge is promoting price-

(See *STEAK*, page 104)

STEAK CHAINS RANKED BY U.S. SYSTEMWIDE SALES

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Systemwide Sales (By Fiscal Year, in Millions) Current	Last full	Prior
1	1	Sizzler	Apr. '91	$ 864.3	$ 845.6	$ 748.6
2	2	Ponderosa	Feb. '91	707.1	694.0	696.0
3	3	Bonanza	Feb. '91	514.6	520.2	575.2
4	4	Western Sizzlin'	Dec. '90	484.8	465.0	448.0
5	5	Golden Corral	Dec. '90	435.0	464.8	455.6
6	6	Ryan's	Dec. '90	350.0	295.0	234.0
7	7	Quincy's	Dec. '90	287.0	263.0	251.0
		TOTAL:		$3,642.8	$3,547.6	$3,408.4

Source: NRN Research.

STEAK CHAINS RANKED BY SALES PER UNIT

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Sales Per Unit (By Fiscal Year, in Thousands) Current	Last full	Prior
1	1	Ryan's	Dec. '90	$2,350.0	$2,270.0	$2,180.0
2	2	Sizzler	Apr. '91	1,444.0	1,430.0	1,360.0
3	3	Quincy's	Dec. '90	1,300.0	1,250.0	1,180.0
4	5	Bonanza	Feb. '91	1,025.0	975.0	940.0
5	4	Ponderosa	Feb. '91	995.0	986.1	1,001.0
6	6	Golden Corral	Dec. '90	950.0	943.0	888.0
7	7	Western Sizzlin'	Dec. '90	936.0	918.5	774.0
		AVERAGE:		$1,285.7	$1,253.2	$1,189.0

Source: NRN Research.

SANDWICH CHAINS RANKED BY U.S. SYSTEMWIDE SALES

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Systemwide Sales (By Fiscal Year, In Millions) Current	Last full	Prior
1	1	McDonald's	Dec. '90	$12,835.0	$12,012.0	$11,380.0
2	2	Burger King	Sept. '90	5,700.0	5,700.0	5,400.0
3	3	Hardee's	Dec. '90	3,242.8	2,979.8	2,822.1
4	4	Wendy's	Dec. '90	3,067.0	2,827.0	2,720.0
5	5	Taco Bell	Dec. '90	2,600.0	2,000.0	1,600.0
6	6	Dairy Queen	Nov. '90	1,980.0	1,938.0	1,839.0
7	7	Arby's	Dec. '90	1,285.0	1,219.0	1,099.0
8	9	Subway	Dec. '90	1,118.8	781.7	495.0
9	8	Jack in the Box	Sept. '90	932.1	833.7	775.7
10	11	Carl's Jr.	Jan. '91	600.0	550.2	480.6
11	10	Roy Rogers	Dec. '90	500.0	584.0	566.0
12	12	Sonic Drive-in	Aug. '90	410.0	390.2	345.5
13	13	Rax	July '91	339.4	330.8	327.0
14	14	Whataburger	Sept. '90	318.0	300.0	273.2
15	15	White Castle	Dec. '90	297.3	278.5	282.7
16	18	Rally's	June '91	210.6	155.4	102.2
17	16	Del Taco	Dec. '90	210.0	205.0	200.0
18	17	Krystal	Dec. '90	204.0	188.3	178.2
		TOTAL:		$35,850.0	$33,273.6	$30,886.2

Source: NRN Research.

SANDWICH CHAINS RANKED BY SALES PER UNIT

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Sales Per Unit (By Fiscal Year, in Thousands) Current	Last full	Prior
1	1	McDonald's	Dec. '90	$1,629.0	$1,621.0	$1,596.0
2	2	White Castle	Dec. '90	1,300.0	1,166.0	1,300.0
3	3	Carl's Jr.	Jan. '91	1,150.0	1,100.0	1,000.0
4	5	Burger King	Sept. '90	1,100.0	1,000.0	1,020.0
5	6	Jack in the Box	Sept. '90	1,080.0	931.0	903.0
6	4	Roy Rogers	Dec. '90	1,060.0	1,060.0	1,060.0
7	7	Hardee's	Dec. '90	959.0	922.0	920.0
8	8	Rally's	June '91	920.0	905.0	918.0
9	9	Krystal	Dec. '90	850.0	812.3	762.6
10	10	Wendy's	Dec. '90	802.0	789.0	759.0
11	11	Taco Bell	Dec. '90	800.0	686.0	589.0
12	13	Whataburger	Sept. '90	698.2	668.1	641.1
13	12	Rax	July '91	688.4	671.0	657.0
14	14	Arby's	Dec. '90	675.0	626.0	613.0
15	15	Del Taco	Dec. '90	525.0	520.0	515.0
16	16	Dairy Queen	Nov. '90	430.0	422.0	408.0
17	17	Sonic Drive-in	Aug. '90	400.0	395.0	356.0
18	18	Subway	Dec. '90	250.0	232.0	215.0
		AVERAGE:		$ 850.9	$ 807.0	$ 790.7

Source: NRN Research.

SANDWICH CHAINS RANKED BY NUMBER OF U.S. UNITS

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Year-end Number of Units Current	Last Full	Prior
1	1	McDonald's	Dec. '90	8,650	8,270	7,907
2	2	Burger King	Sept. '90	5,380	5,358	5,020
3	4	Subway	Dec. '90	5,030	3,920	2,819
4	3	Dairy Queen	Nov. '90	4,680	4,627	4,556
5	6	Hardee's	Dec. '90	3,548	3,298	3,151
6	5	Wendy's	Dec. '90	3,520	3,490	3,521
7	7	Taco Bell	Dec. '90	3,300	3,082	2,892
8	8	Arby's	Dec. '90	2,337	2,117	1,949
9	10	Jack in the Box	Sept. '90	1,048	986	957
10	9	Sonic Drive-in	Aug. '90	1020	1012	980
11	11	Roy Rogers	Dec. '90	648	648	577
12	12	Carl's Jr.	Jan. '91	578	540	482
13	13	Rax	July '91	493	498	500
14	14	Whataburger	Sept. '90	475	438	417
15	15	Del Taco	Dec. '90	393	399	396
16	18	Rally's	June '91	305	225	148
17	16	White Castle	Dec. '90	255	243	234
18	17	Krystal	Dec. '90	245	230	232
		TOTAL:		41,905	39,381	36,738

Source: NRN Research.

Sandwich chains

(Continued from page 1)

goal of installing value-added "dinner" amenities that would help retain a maturing consumer base.

"It's very difficult to maintain margins and be certain you're in the proper niche these days," John Merritt, a senior vice president of Hardee's, concedes.

While plotting ways to firm up sagging same-store sales and create a true dinner daypart, McDonald's is test-marketing a slew of newfangled entrées, ranging from pizza and fried chicken to fish and pasta.

The segment leader is "taking a look at the dinner menu to see whether or not we can find some ways to provide better service to our customers there, relative to the products that they would like," Jim Skinner, a McDonald's senior vice president, told Prudential-Bache Securities analysts recently.

Fast food gets 'healthy'

Evolving consumer tastes, waning same-store traffic and cut-rate competitors aren't the only things giving the big burger chains headaches. In the wake of controversial print-ad attacks by nutrition activists, McDonald's has launched low-fat shakes and frozen yogurt as well as "healthy" breakfast items like fat-free muffins and vitamin-enriched cold cereals.

However, despite McDonald's denials, market analysts and consumer polls suggest that a backlash against burger chains may be occurring as cholesterol-conscious patrons react to the controversy.

Trying to stay one step ahead of fat-foe critics, Burger King, Wendy's and McDonald's recently joined a growing list of chains that have switched from beef tallow to all-vegetable oils for frying. Hardee's changed its oil two years ago, and Carl's Jr. made the animal-to-vegetable switch last year.

Meanwhile, Dairy Queen has sought to distinguish its new chicken sandwich from others in that trendy product field by dressing it with a low-fat mayonnaise. DQ, which has also launched low-fat frozen desserts, says it may choose to expand low-calorie condiments to its burger line.

In another concession to health concerns, Sonic Drive-In has grudgingly begun testing a grilled chicken sandwich on a wheat bun, although the small-town operator seems largely content to stick with fast-food basics as it enjoys the fruits of its turnaround drive.

For its part, Wendy's recently quibbled with other chains' low-fat claims by pronouncing its quarter-pound single burger — containing 15 grams of fat — lower in fat than any other comparable product. But that claim illustrates the health-image quandary sellers of burgers may face, since some nutritionists say individuals should limit their total daily intake of saturated fat to about 22 grams.

Some chains' burger products contain upward of 70 grams of fat per sandwich.

Let's make a deal

Cut-rate merchandising is one tactic increasingly in evidence as chains try to evade price-cutting competitors and fast-food critics.

Off-price promotions abound within the segment. McDonald's, which, like other large burger-based chains, is now resorting to discounting on about one out of every five sales transactions, recently slashed the price of its kid-luring Happy Meal to $1.99 for a summer-long promotion.

"The question has become, 'How do we "deal" our way into the hearts of consumers?' " says analyst-consultant George Rice, head of Chicago-based GDR Enterprises and the NPD CREST research firm. "The primary, underlying problem is that the market has matured" out of a demand-driven era into one that seems propelled almost solely by promotion, Rice asserts.

Indeed, apparently dwindling consumer enthusiasm for conventional fast food and the big chains' seeming dependence on broadcast marketing to drum up patronage has prompted CREST to cease making growth projections for the segment. Recently, "the sandwich category grew or didn't grow on the basis of how much it spent on advertising to promote a new product," Robert O'Brien, a CREST analyst, explains.

Marketing isn't all advertising

While McDonald's bombards its target customers with a $2 million-a-day advertising budget, other chains are left to try new tacks to attract patrons. Carl's Jr., for instance, has begun broadcasting a Spanish-language advertising campaign in its Los Angeles-market stronghold. Carl's, Arby's and others are also testing automated-teller systems and credit-card sales as customer lures.

Burger King, meanwhile, appears to be recovering from its recent front-office instability and marketing malaise and is reporting sharp same-store sales gains, largely on the strengths of its hot-selling BK Broiler chicken sandwich, a popular salad line and the chain's belated entry into the kiddie-meal arena.

Attempting to neutralize the customer magnetism of low-pricing chains like Rally's and especially Taco Bell, Burger King is readying the rollout of a "value products" menu, to be anchored by mini-sandwiches priced as low as 39 cents. That pending maneuver echoes the launch by Wendy's of a "Super Value" menu of under-$1 items, including a nationally advertised burger pegged at the signature 99-cent price point of Rally's.

Even 99 cents may not be low enough for some consumers' tastes. "People want 59-cent price points, and we need to come back to that," Robert Stetson, Burger King's chief domestic operations officer, concedes.

In light of the sales-siphoning punishment meted out by Pepsico's rising fast Mexican star, "we're convinced Taco Bell is just as much a competitor as McDonald's," Stetson says. He adds that Burger King, too, "will shortly have products that compete very effectively with Rally's."

As McDonald's evaluates its McPizza tests, Burger King is also flirting with a segment-stretching crossover into the pizza business by selling Domino's brand pies in BK test outlets.

With the traffic-building novelties of drive-thru windows, playgrounds and breakfast menus all but tapped out, "we're looking for the next quantum leap, and we're convinced it will come," perhaps in the form of pizza, Stetson says.

A back seat for burgers?

For all their menu and price machinations, McD, BK and others of their ilk seem for the moment to be playing catch-up with nimbler players in the broadly defined "sandwich" category. Several of those lesser-ranked chains have scored significant, sometimes stunning, market-share gains by breaking free of fast-food menu traditions and by rediscovering the segment's price-value origins.

Newer examples of the menu trend are Jack in the Box's ham and turkey melt and cheese-steak sandwiches, Carl's Jr.'s breakfast burrito, Taco Bell's pita-bread-based Pocket Taco and Arby's French-dip sandwiches and chicken sandwich line.

New, non-burger sandwich varieties at Hardee's are also helping to shatter quick-serve menu conventions, which began to tumble several years ago, after Carl's Jr. scored a home run with its char-broiled chicken sandwiches and Jack in the Box blazed

(See SANDWICH, page 130)

Dinner houses lure aging baby boomers

(Continued from page 72)

six regional lunch and dinner entrées. A summer lunch and dinner menu is also now in place that allows the chain to fill out its standard menu with several seasonal dishes.

Seasonality, once largely the province of fine-dining restaurants, has, in fact, become a driving force in some chain strategies. T.G.I. Friday's recently launched a summer menu that contains several new menu additions that "are geared toward light and healthful-type items," Rick Crossland, the chain's vice president of research and development, says. Seven slow sellers — such as omelets and a seafood pasta dish — were dropped from the menu in favor of a chargrilled vegetable pita sandwich, broiled scallops and a vegetable pasta dish.

The El Torito chain launched its first menu containing more healthful, lighter fare in an effort to boost lunch traffic and broaden its appeal. The 10-page menu offers several new chicken, fish and combination dishes, including grilled mahimahi, marinated grilled chicken and a seafood burrito.

"Light and healthy" are indeed among the most popular buzzwords in the menu writers' lexicon. According to Fred Hipp, president of Gilbert/Robinson, which owns and operates Houlihan's, lighter foods will play an even more important role in future menus. "Menus will be shifting away from heavy foods," he predicts. "There will be a reduction of high-fat foods and many more lower-calorie selections."

Houlihan's, for its part, recently introduced a new, streamlined menu featuring more straightforward category headings and concise food descriptions. The new format is designed to facilitate the customers' decision-making process and speed service. The new menu also offers complete meal options called "premier dinners" — a choice of soup or salad and dessert along with a main course for an additional charge.

But while menu variety is a major draw for dinner houses, so is the price-value experience. "The exact check average is not the key to the appeal," Technomic's Paul maintains. "It's the perceived value."

Chains such as Bennigan's and Steak and Ale — both owned and operated by S & A Restaurant Corp. in Dallas — declared that pricing would be a key element of their strategy when S & A was taken private last year. At the time the corporation said that it was determined to minimize new price increases and reduce per-person check averages through product changes and new lunch menus.

And, according to Bob Svelhak, chief financial officer for Bennigan's, the effects of that strategy are beginning to show results. "We're letting competitors raise prices while S & A stays where it is," he says. "That's starting to bear fruit for us in terms of increased sales trends and increased customer traffic."

And in an effort to grab a larger share of customer traffic, several of the more successful dinner-house chains are moving ahead with relatively ambitious expansion programs. For example, growth-leader Olive Garden is expecting to add yet another 50 units during this fiscal year, while sister concept Red Lobster intends to add 20 restaurants as well. Dallas-based Chili's Grill and Bar says it will add 36 new restaurants, while Ruby Tuesday, owned by Morrison Inc., in Mobile, Ala., will build 35 new stores.

As part of their larger expansion plans, however, many chains are targeting secondary markets. And while expectations for such units have been scaled back somewhat, executives say those fringe-market outlets will pay dividends in the long run. "Naturally they will do less volume than some of our other units," Jeff O'Hara, president of Red Lobster, told attendees at the annual conference of the Consumer Analyst Group of New York in Miami.

"But they will have less advertising expenses because those markets are already picking up our national campaigns."

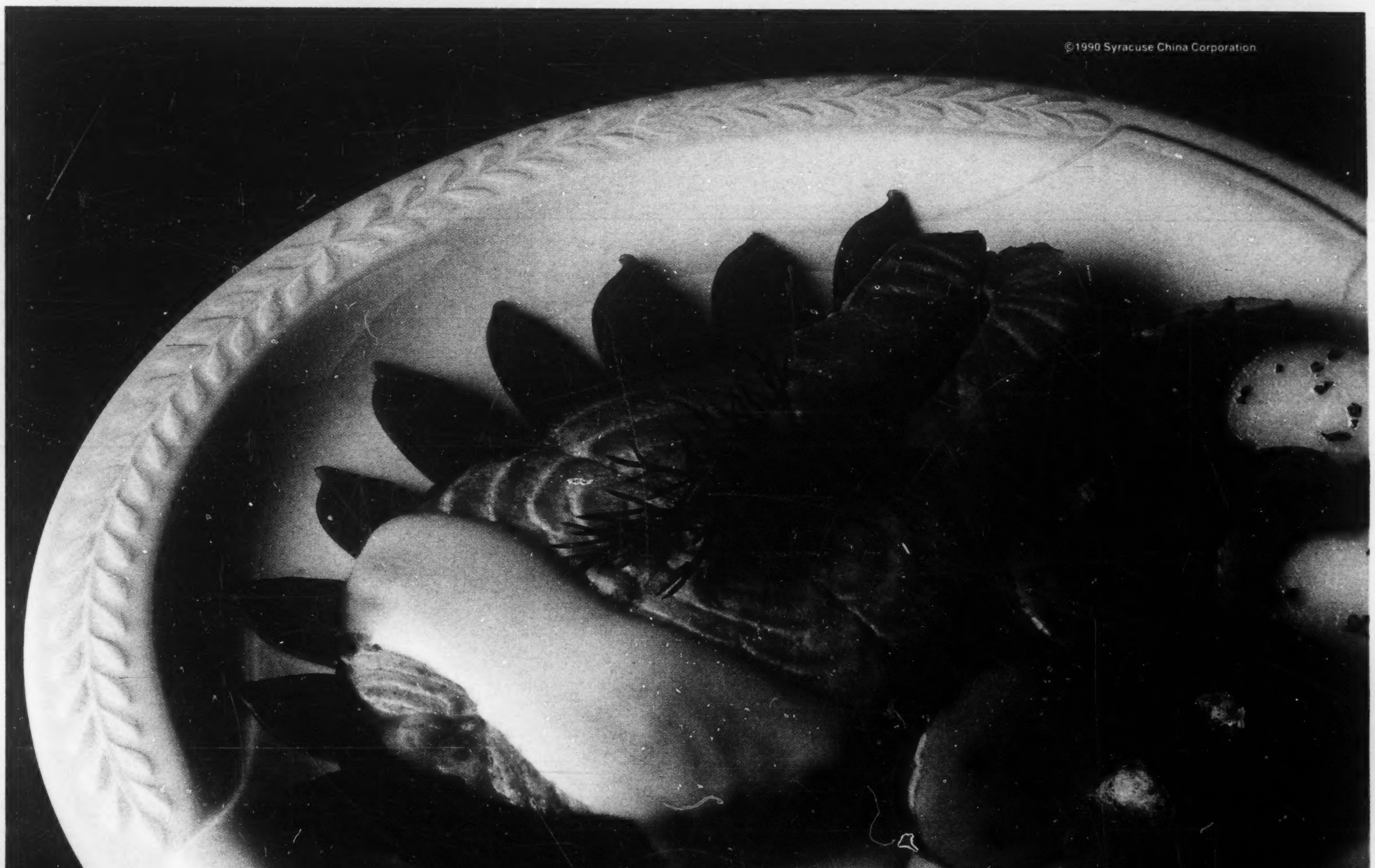
Chili's is another segment player that is currently examining the viability of secondary markets. The April opening of a downsized unit in Boise, Idaho — where the population is well below 130,000 — brings the number of those specialized operations to three.

But if experts have painted a rosy picture of the segment as a whole, several chains and companies have had to contend with specific problems hindering their growth. The management-led leveraged-buyout trend of the '80s left such companies as Restaurant Associates in New York, S & A Restaurant Corp. in Dallas, Paragon Restaurant Group in San Diego and American Restaurant Group in Newport Beach, Calif., with heavy debt loads that made expansion difficult.

"We were able to service the LBO debt well enough," says Max Pine, president and chief executive of Restaurant Associates. "But there was not enough left over to expand the business the way we wanted."

Enter Kyotaru Co. Ltd. of Tokyo — an ambitious player

(See DINNER, page 96)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Dinner houses lure aging baby boomers

(Continued from page 95)

with deep pockets and a strategic objective to build an organization with $1 billion in sales in the U.S. market. In February Kyotaru purchased debt-laden Restaurant Associates for $110 million, promising to revitalize expansion by pumping another $35 million into the company over the next five years.

And more recently Kyotaru returned for a second helping, agreeing to buy Paragon's 54-unit Hungry Hunter/ Mountain Jack's steak house subsidiary for an undisclosed amount.

Both takeovers promise to breathe new life into these companies. Nevertheless, some players argue that a leveraged buyout does not necessarily leave a company gasping for breath. According to Gilbert/Robinson's Hipp, a leveraged buyout structured from a "purely offensive position" can be used to initiate growth.

"Obviously, companies would rather not be leveraged out," he says. "But, generally, most people think that it needs to be done to change the environment and improve the business."

Gilbert/Robinson, which was purchased by management and investors from Irvine, Calif.-based Restaurant Enterprises Group, had been stagnant and unable to expand, Hipp notes. "Expansion was on hold under the REG environment," he continues. "We generated a lot of cash flow, but it went to REG to offset other negatives."

But now that Gilbert/Robinson is "back totally in the entrepreneurial forum," Hipp says, "plans call for the addition of 12 new Houlihan's and Darryl's a year. We think we're a lot better off."

Family feeders woo maturing market

(Continued from page 76)

booths, more subdued lighting, atriums and homespun "country" decorations.

The first company-owned restaurant of the Howard Johnson's system, in Canton, Mass., is a prototype for an updated image aimed at attracting more customers between 25 and 35 years old, according to Arthur Barrett, president of the chain's franchisor, Franchise Associates. The new streamlined unit looks nothing like the familiar peaked-roofed HoJo's models that sprouted along highways in the 1950s.

Ironically, while the family segment strives for a more youthful appearance, it is looking to the past for menu ideas. "We took mashed potatoes off the menu eight years ago, and now we put it back on," says IHOP's Pettise. Pot roast is the anchor of a series of new homestyle dinner entrées, which include chicken pot pie and other old-fashioned favorites.

Similar items, including meat loaf, hamburger steak and liver and onions, are among the newest offerings at Denny's. Bob Evans Farms and many Big Boys also feature home-style sections on their latest menus.

Still, the chains are trying to appeal to everyone by adding lighter and "healthier" items, such as salads and grilled meats and fish. IHOP's Pettise says the Harvest Grain 'N Nut pancake, launched one and a half years ago, ranks as the chain's most successful new menu item in years. Meanwhile, Bob Evans Farms and Country Kitchen have added such low-fat foods as cereal, muffins and fresh fruit to their menus.

Almost all family restaurants try to appeal to children, with kids' menus that double as coloring and activity booklets, and feature such favorites as hot dogs, burgers, spaghetti and fried chicken. What's more, the kids' menu prices are often lower than those for, say, a McDonald's Happy Meal, a top seller among the younger set.

At the same time as the family segment is attracting younger patrons, it is not neglecting senior citizens, who have long been among its most loyal customers. Separate budget-priced menu sections for seniors are typical and usually include some "heart- healthy" items for those on restricted diets.

While operators pay closer attention to improving operations in existing units, their segment appears poised to expand at modest rates. Shoney's and Howard Johnson's have announced major franchising campaigns, and most players are seeking expansion opportunities beyond their core territories, both domestically and internationally.

Denny's projects a total addition of 60 units this year. Marie Callender's sees the Midwest, in particular, as a growth territory, while Minnesota-based Country Kitchen looks to Japan, Europe and Canada.

Some domestic expansion room may open up because of Marriott Corp.'s decision to abandon its ambitious Allie's concept and leave the family field altogether. Allie's, originally earmarked for national expansion, had been viewed as a threat of potentially major proportions by other family chains.

Now, the likelihood that a buyer from outside the family segment will acquire Marriott's remaining Allie's, Big Boys, Wag's and Howard Johnson's — and convert them to budget steak houses or other concepts — means that competition within the family segment will lessen, observers conclude.

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Contract feeders steer toward 'branding'

(Continued from page 85)

white-collar dining accounts.

Expanding on last year's franchise agreement with Pizza Hut, Marriott now boasts 77 Pizza Hut kiosks in its health care and college foodservice contract sites.

Host International, Marriott's airport feeding subsidiary, has signed an exclusive licensing agreement with Paramount Pictures to develop 46 units of "Cheers" bars and lounges. The concept will be patterned after the fictitious tavern from the prime-time television series.

The initial Cheers lounge is scheduled to open this November at the Minneapolis-St. Paul airport. The agreement also provides Marriott with the right to develop Cheers bars in domestic Marriott Hotels.

Chicago based-Canteen Corp. has been rocked by a series of executive management changes since the takeover of its parent company, TW Services Inc., by the now-disbanding New York-based arbitrager Coniston Partners.

Gone from Canteen are longtime chief executive Bob Kozlowski, a 40-year veteran of the company; Paul Duffy, the senior vice president of Canteen's food and vending group; and Hal Ritchie, vice president of foodservice and marketing.

On a positive note, the company launched its Saturn II program, a modular turnkey arrangement, which transforms a client's feeding facilities into miniature food courts offering upscale cuisine under trademaked names like "Italia."

Joining the scroll of contractors rolling out modular concepts is the Allentown, Pa.-based Wood Co., which has developed "Today's Taste," a menu marketing program.

Included in the Today's Taste format is "Top Hits," an exhibition preparation format that includes tableside cooking, a takeout service called "Tag-A-Longs" and a morning fare concept named "The Breakfast Club."

According to Daka International chairman Terry Vince, the Wakefield, Mass.-based contractor has struck gold in its college and university accounts with "Dirty Potatoes," mashed potatoes with the skins left on.

Daka is also in the process of structuring a reciprocal agreement to offer downscale units of Legal Sea Foods in Daka's Boston-based feeding accounts, while introducing "Customer Service Guaranteed," a money-back refund program.

Meanwhile, operators specializing in stadium and arena foodservice have been going full bore to fortify their client portfolios. Ogden Entertainment Services, formerly Ogden Allied Leisure Services, landed a troika of major feeding accounts, including two National Basketball Association venues — McNichols Arena in Denver and a new facility in Minneapolis.

Ogden Entertainment Services has also snared the feeding responsibilities for the World Music Theatre, an outdoor amphitheater in Chicago.

In addition to a new name, the subsidiary of Ogden Corp. also ushered in a new chief executive, Richard Ablon, the scion of Ogden Corp. chairman Ralph Ablon.

Harry M. Stevens Inc., generally considered the progenitor of stadium foodservice, has extended its contracts at the Meadowlands Sports Complex, in East Rutherford, N.J., and at Shea Stadium.

Sportservice, a subsidiary of the Buffalo-based Delaware North Cos., added the Suncoast Dome entertainment facility in St. Petersburg, Fla., and the famed Ruidoso Downs racetrack, in Ruidoso Downs, N.M.

Since last year's management-led buyout from the Marriott Corp., In-Flite has been operating under the auspices of its newly formed parent, Caterair International, which will continue to use the Marriott In-Flite logo for several years as part of the sale agreement.

In the first season under new ownership, which includes such former Marriott executives as Dan Altobello and Fred Malek, the company has opened a new flight kitchen in Fort Myers, Fla., and is currently hammering out an agreement to establish a facility in Korea.

Caterair has also sealed a joint venture with Lufthansa Airlines to provide foodservice for various European carriers out of New York, San Francisco and Miami.

"The difference between us owning it and when the company operated under Marriott is that we're dedicated exclusively to airline catering," says Altobello, Caterair's chief executive. "Management does not have to be concerned with ancillary operations like Roy Rogers or Host."

Expansion was the 1989 byword for both Dobbs Houses and Dobbs International, Greyhound Dial Corp.'s inflight and airport terminal concession arms.

Dobbs Houses expanded its terminal-feeding locations to include five new airport sites, including Houston International and Sarasota-Bradenton, Fla.

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CAFETERIA CHAINS RANKED BY TOP 100 MARKET SHARE

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Annual Market Share Current	Last Full	Prior
1	3	Luby's Cafeteria	Aug. '90	26.80%	25.87%	24.42%
2	2	Piccadilly	June '91	26.80	26.48	26.51
3	1	Morrison's	May '91	25.53	26.66	28.43
4	4	Furr's Cafeterias	Dec. '90	20.85	21.00	20.65

Source: NRN Research.

Cafeterias branch out in search for new growth

(Continued from page 88)

our existing [cafeterias] better," says James Malmberg, Piccadilly president. The company's strategies include double lines for faster service, takeout sections and foods that are high in nutritional qualities.

Furr's concentrated on improving profitability rather than on expanding. "Last year turned out OK. There is more competition now, so it's a little tougher," says Don Fritz, the chain's president.

Richard McGeoch, a Morrison's spokesman, cites more movement of core customers aged 45 to 50 toward casual theme restaurants as partly responsible for the cafeteria division's disappointing year. To increase customer counts, Morrison's is increasing promotions, advertising, discounting and couponing. "It's starting to pay off," he says.

Furr's also plans to increase promotions, including one for senior citizens. Piccadilly did a "Build Yourself a Balanced Meal" nutritional promotion last year.

The segment as a whole is promoting lighter entrées and foods containing less fat, salt and sugar. Some of Furr's newest menu items are vegetable lasagna, cod Veracruz, Mexican-style chicken, honey-mustard barbecued chicken and peppered beef stir fry.

Because cafeterias always have served a wide variety of dishes, they can easily accommodate the trend toward more nutritional dining, says Piccadilly's Malmberg. At Morrison's a new entrée salad has proved popular as a light alternative to more traditional cafeteria entrées, McGeoch says.

While strengthening existing operations, Morrison's has put take-out sections and food courts on hold until the company can overcome its recent setbacks.

While strengthening existing operations, Morrison's has put takeout sections and food courts on hold until the company can overcome its recent setbacks, McGeoch says. Luby's and Piccadilly, meanwhile, have added separate takeout sections wherever feasible.

In an unorthodox maneuver for a cafeteria concept, two Furr's units have opened drive-thru windows, and more are planned. The chain has also added all-you-can-eat options at all of its stores to attract value-minded customers who prefer fixed pricing to à la carte ordering.

Furr's continues to experiment with Furr's Pie Kitchen & Restaurant, a full-service concept with salad bars. The chain opened one branch this year, for a total of three, and plans to open a fourth soon.

Wyatt Cafeterias, the next largest chain after Furr's, projects current year sales of $187 million from 123 units, with per-unit sales of $1.5 million. Last year's sales totaled $176 million, from 121 units.

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Chicken chains scratching for new ideas

CHICKEN CHAINS RANKED BY NUMBER OF U.S. UNITS

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Year-end Number of Units Current	Last Full	Prior
1	1	Kentucky Fried Chicken	Dec. '90	4,964	4,961	4,923
2	2	Church's Fried Chicken	Oct. '90	1,196	1,111	1,363
3	3	Popeye's Chicken	Oct. '90	776	739	715
4	4	Chick-fil-A	Dec. '90	445	411	386
5	5	El Pollo Loco	Dec. '90	236	192	120
		TOTAL:		7,617	7,414	7,507

Source: NRN Research.

CHICKEN CHAINS RANKED BY TOP 100 MARKET SHARE

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Annual Market Share Current	Last Full	Prior
1	1	Kentucky Fried Chicken	Dec. '90	65.79%	66.86%	69.99%
2	2	Church's Fried Chicken	Oct. '90	11.80	11.81	9.79
3	3	Popeye's Chicken	Oct. '90	11.67	11.70	11.70
4	4	Chick-fil-A	Dec. '90	6.16	5.88	5.60
5	5	El Pollo Loco	Dec. '90	4.58	3.74	2.92

Source: NRN Research.

(Continued from page 92)

wich and a chicken garden salad.

With sales relatively flat, KFC has experienced its most rapid growth overseas. Worldwide sales increased 22 percent in the first quarter of 1990. Alan Huston, former senior vice president of development at Pizza Hut, has been appointed president of KFC International and will oversee KFC's 3,000 units abroad.

KFC recently marked its 20th year in Japan, where it co-owns and franchises more than 900 units. The company recently signed agreements to open units in Chile.

On the domestic front Kyle Craig has been appointed president of KFC USA. Craig, a veteran of Steak & Ale, Bennigan's and Burger King, had previously been working on a home-delivery project for KFC. His background in that area may signal KFC's imminent entry into the delivery field.

KFC has also unveiled a new prototype unit, called the "38 Series," which is larger and brighter and has a more contemporary decor, longer counter space and more seating than older units have. Plans call for 20 of the futuristic restaurants to open in Louisville, Ky., by the end of the year.

A few of KFC's prototypes have sprung up in New Orleans, where the chain hasn't had much of a presence. In March KFC unveiled an aggressive expansion plan, saying it would invest more than $20 million to open 20 to 25 outlets in the area over the next three years — right in competitor Al Copeland's backyard. Six have already been opened, and Detwiler reports that one scored $89,000 in sales the first week alone.

Meanwhile, it has been a rough year for Copeland — owner of the Popeyes and Church's fried-chicken chains — whose financial troubles have been burdensome since he acquired the Church's empire in 1989.

Copeland's original plan to sell off Church's franchises to Popeyes franchisees has not progressed as swiftly as was expected, and Copeland has had to renegotiate loans that came due in April. In the interim he named former Coca-Cola executive Ron Jones president of Al Copeland Investments, Copeland's new holding company.

A recent filing with the Securities and Exchange Com-

*(See **CHICKEN**, page 103)*

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Chicken chains scratching for new ideas

(Continued from page 102)

mission revealed that several Church's outlets, which had been converted to Popeyes, reported an average sales rise from $368,000 each to $690,000, an 88-percent increase.

Now leading the No. 2 chain in the segment, Copeland believes he must remain vigilant to guard that position. "Guys in the chicken specialty segment have to do more creative things with chicken to keep a competitive edge," says Copeland, who thinks operators should work toward offering more healthful products.

Copeland keeps busy in the test kitchen, working on new products, but so far this year the only thing he has introduced is Church's Foot-Long Chicken Sandwich. He seems unconcerned that the world of specialty-fried chicken will see a tremendous impact with the addition of non-fried items, but, he says, "It is coming, and it may be in our future."

"The whole chicken segment is becoming more competitive," says Don Perry, public-relations director for 445-unit Chick-fil-A. "Chicken consumption is surpassing beef, and as a result burger chains are losing segment share, so many are adding chicken sandwiches."

Chick-fil-A challenged Wendy's last March after seeing the Wendy's "Best Chicken Sandwiches in the Business" claim on national television. Chick-fil-A appealed to the three major networks, saying that they possessed information showing that Chick-fil-A had the "best" chicken sandwiches. The issue remained unresolved, leaving Wendy's to attempt to prove its claim in "television court."

Atlanta-based Chick-fil-A has expanded by more than 30 units this year and estimates that its sales will total nearly $300 million in 1990. Its menu includes chicken nuggets, a barbecued chicken sandwich, broiled chicken sandwiches, chicken salad sandwiches, chicken salad plates and breast of chicken soup. Chick-fil-A is still a regional player and has not penetrated the Northeast or northern Midwestern states.

Another growth-minded player in the non-fried segment is El Pollo Loco, an Irvine, Calif.-based division of Denny's that has grown quickly on its menu of Mexican-style grilled chicken.

The chain grew by about 40 units this year, recently opening its 200th outlet. Sales-per-unit averages exceed $1 million. The restaurants are principally in California and other Sun Belt states like Florida and Arizona.

Although El Pollo Loco's flame-grilled product is already perceived as a healthful alternative to fried chicken, the chain has added a grilled chicken sandwich to its core menu. Currently, average checks are in the $6-to-$7 range. El Pollo Loco, Spanish for "The Crazy Chicken," intends to open 500 new units and expand into new markets by 1995.

Lee's Famous Recipe, a division of Shoney's, has aggressive plans for the future. By 1995 Shoney's wants to open 125 Lee's units as part of its "Project 500" plan.

Lee's, primarily in the Southwest and Midwest, is looking to grow across the country into new markets, especially the Northeast and Northwest.

In addition to "Famous Recipe" chicken, Lee's is about to roll "Hot and Spicy Wings." The Lee's menu also features barbecued chicken, roasted chicken and barbecued chicken sandwiches. Franchise vice president Reginald Steel reports that the company is also testing a grilled-chicken sandwich and chicken tenders in several markets.

Meanwhile, Shoney's is seeking franchisees that are already in the restaurant business and are looking to diversify. The company doesn't provide financing but does provide training, site selection and construction assistance.

Cajun Joe's, an East Coast regional player, seems to be making big strides in the segment thanks to the help of franchise wizard Fred DeLuca, the founder of Subway. Cajun Joe's founders Joe Barrett and Dick Cromwell met DeLuca two years ago, and since then DeLuca has helped put their Cajun-fried chicken concept into the fast lane.

Currently, there are approximately 35 units, with 100 units in the development pipeline. Given DeLuca's involvement, Subway franchisees are buying into the Cajun Joe's concept, and some are even twinning Cajun Joe's and Subway units at shared sites. Aggressive franchising and enhanced economies of scale could boost Cajun Joe's into a more competitive stance as the chain expands, the company believes.

Bojangles', a regional player in the South and mid-Atlantic states, has seen an upswing in sales and is enjoying average unit volumes of $900,000. Still, Horn & Hardart, franchisor of the concept, is selling its interest in the chain and has its 25 company-owned units on the block.

Grandy's, the Lewisville, Texas-based chicken chain, continues to be a major chicken-segment player, particularly in its stronghold in the South.

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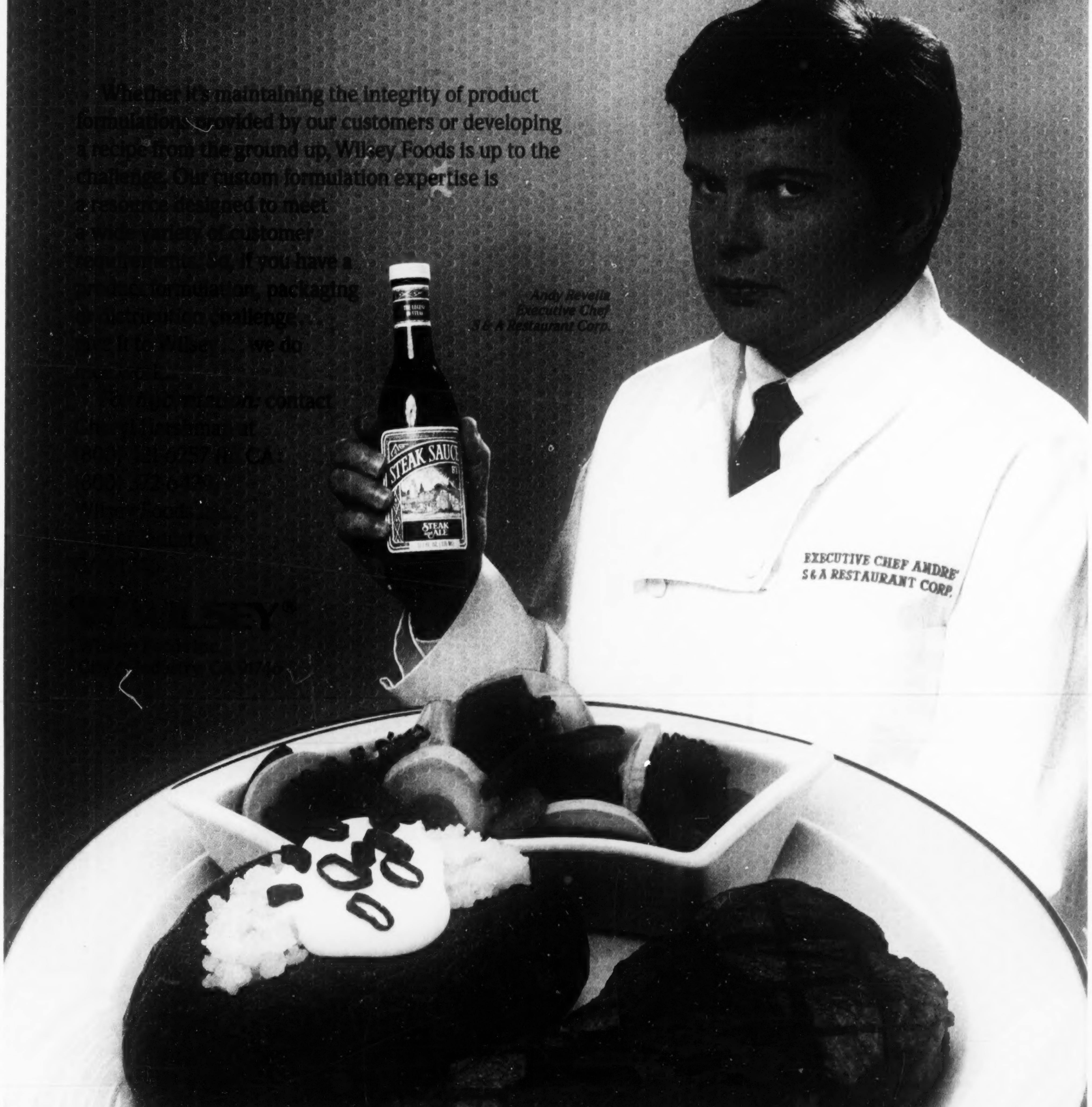

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Steak chains face beefed-up competition

STEAK CHAINS RANKED BY NUMBER OF U.S. UNITS

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Year-end Number of Units Current	Last Full	Prior
1	1	Ponderosa	Feb. '91	710	704	695
2	2	Sizzler	Apr. '91	636	628	587
3	3	Western Sizzlin'	Dec. '90	518	514	579
4	4	Bonanza	Feb. '91	502	510	612
5	5	Golden Corral	Dec. '90	470	501	505
6	6	Quincy's	Dec. '90	221	213	211
7	7	Ryan's	Dec. '90	153	141	122
		TOTAL:		3,210	3,211	3,311

Source: NRN Research.

STEAK CHAINS RANKED BY TOP 100 MARKET SHARE

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Annual Market Share Current	Last Full	Prior
1	1	Sizzler	Apr. '91	23.73%	23.84%	21.96%
2	2	Ponderosa	Feb. '91	19.41	19.56	20.42
3	3	Bonanza	Feb. '91	14.13	14.66	16.88
4	4	Western Sizzlin'	Dec. '90	13.31	13.11	13.14
5	5	Golden Corral	Dec. '90	11.94	13.10	13.37
6	6	Ryan's	Dec. '90	9.61	8.32	6.87
7	7	Quincy's	Dec. '90	7.88	7.41	7.36

Source: NRN Research.

(Continued from page 92)

value," Way claims. Meanwhile, Ryan's largest franchisee, 25-unit Family Steak Houses of Florida, is locking in rigid food, labor and overhead cost controls in a move to promote price-value and maintain traffic flow.

"We're trying local-store marketing," says James Osborn, president of Family Steak Houses. "And menu variety is also a challenge. We want to bring in the crowds without couponing."

Spartanburg, S.C.-based Quincy's Family Steakhouse, after a three-year hiatus from new-store openings, added two units in 1989 to finish at 213. Quincy's, too, is stressing cost controls to hold prices and boost margins. At the same time the company is broadening its menu with add-on items to boost the average check.

The most ambitious domestic growth plan may be that of Claremont, N.C.-based WSMP Inc., whose 165-unit Western Steer chain expects 25 new stores to open by next February, two-thirds of them via franchising.

"After two years of consolidation we're on an aggressive course," says Jimmy Richardson, WSPM's senior marketing vice president. Steak accounts for almost half of Western Steer's sales — a higher percentage than all the other chains — while chicken and seafood make up about 10 percent, and food bar items account for the other 45 percent, Richardson says.

Meanwhile, most operators concede that their segment's headlong rush into food bars has made almost every budget-steak concept similar.

"We see everybody copying," complains Michael Stack, president of Dallas-based Western Sizzlin, a franchisor of 500 family steak houses in 26 states.

"The challenge now is positioning," adds Stack, who expects his operation to hold on to its 1989 unit-sales gains while Western Sizzlin targets a piece of the international market.

In the war of broader menus and tighter services, many of the major steak chains have seen their share of casualties. Western Sizzlin boasted nearly 600 units in 1988 when Stack and fellow investors bought the chain from its founders, the Pascarella family of Augusta, Ga.

And 510-store Bonanza Family Restaurants, which became a corporate sister to Ponderosa Steakhouses when it was bought by Metromedia Co. a year ago, also had more than 600 domestic units in 1988.

"The segment is consolidating as far as store numbers, yet all the concepts are getting broader," according to Golden Corral president Ted Fowler, who said one of his stores is starting a breakfast test.

"These days specializing is very hard," Fowler adds, citing a prominent example of menu diversification and segment stretching. "If you don't believe me," he remarks, "just take a look at McDonald's."

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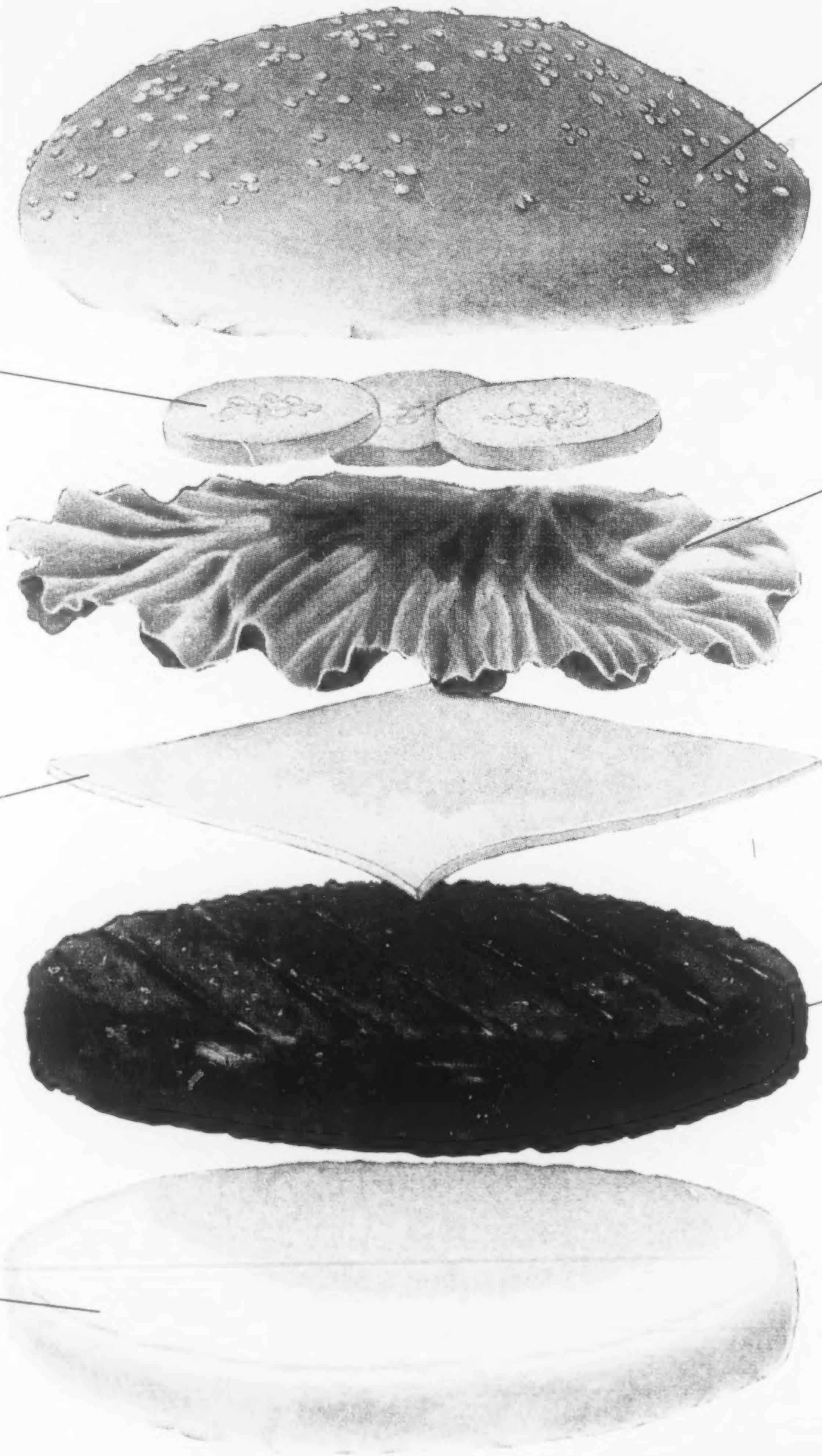

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Hotels check out patrons' needs

HOTEL CHAINS RANKED BY NUMBER OF U.S. HOTELS

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Year-end Number of Units Current	Last Full	Prior
1	1	Holiday Inns	Dec. '90	1,578	1,582	1,526
2	2	Ramada Inn	Dec. '90	459	498	501
3	3	Marriott Hotels & Resorts	Dec. '90	379	330	289
4	4	Sheraton Hotels	Dec. '90	338	321	340
5	5	Hilton Hotels	Dec. '90	269	261	270
6	6	Radisson Hotels	Dec. '90	179	152	122
7	7	Hyatt Hotels	Jan. '91	109	101	91
8	8	Westin Hotels	Dec. '90	34	34	33
		TOTAL:		3,345	3,279	3,172

Source: NRN Research.

HOTEL CHAINS RANKED BY TOP 100 MARKET SHARE

1990 Rank	1989 Rank	Chain	Fiscal Year Ends	Annual Market Share Current	Last Full	Prior
1	1	Marriott Hotels & Resorts	Dec. '90	23.08%	23.37%	22.32%
2	2	Hilton Hotels	Dec. '90	19.69	19.47	20.79
3	3	Sheraton Hotels	Dec. '90	19.63	19.26	21.56
4	4	Holiday Inns	Dec. '90	11.15	11.57	11.10
5	5	Hyatt Hotels	Jan. '91	7.80	7.48	6.70
6	8	Radisson Hotels	Dec. '90	6.70	5.88	4.75
7	6	Ramada Inn	Dec. '90	6.18	6.94	6.92
8	7	Westin Hotels	Dec. '90	5.77	6.04	5.85

Source: NRN Research.

(Continued from page 88)

"We look at very simple concepts that have very hearty food — places like bistros, brasseries and cafes," Clawson says. "We're in development of a health and nutrition concept, and we're looking at a rotisserie concept that replaces the specialty restaurants we had years ago."

But, he quickly adds, "every menu is different. We start from scratch in each location, looking at the demographics."

In Southfield, Mich., the numbers called for a bistro called Tango's, which features a menu of such European items as ragouts, crêpes, pasta and simply prepared fish. In the morning the restaurant's bar, a rectangle at the entrance, is used as a countertop where single diners can have a quick breakfast.

"We don't do separate lounges anymore; our interest in that is gone," Clawson says. "We'll do a lobby bar or a bar right in the restaurant, but not something separate."

In Palm Springs, Calif., the Radisson was outfitted with Bolero's, a 300-seat place that features a blend of Californian, Southwestern and American Indian cuisines. The place retails the unusual spices used in its fare.

"We had the idea several years ago of becoming more like freestanding restaurants, and that's led us into the brasserie-style three-meal restaurant," he notes.

Room service in disguise

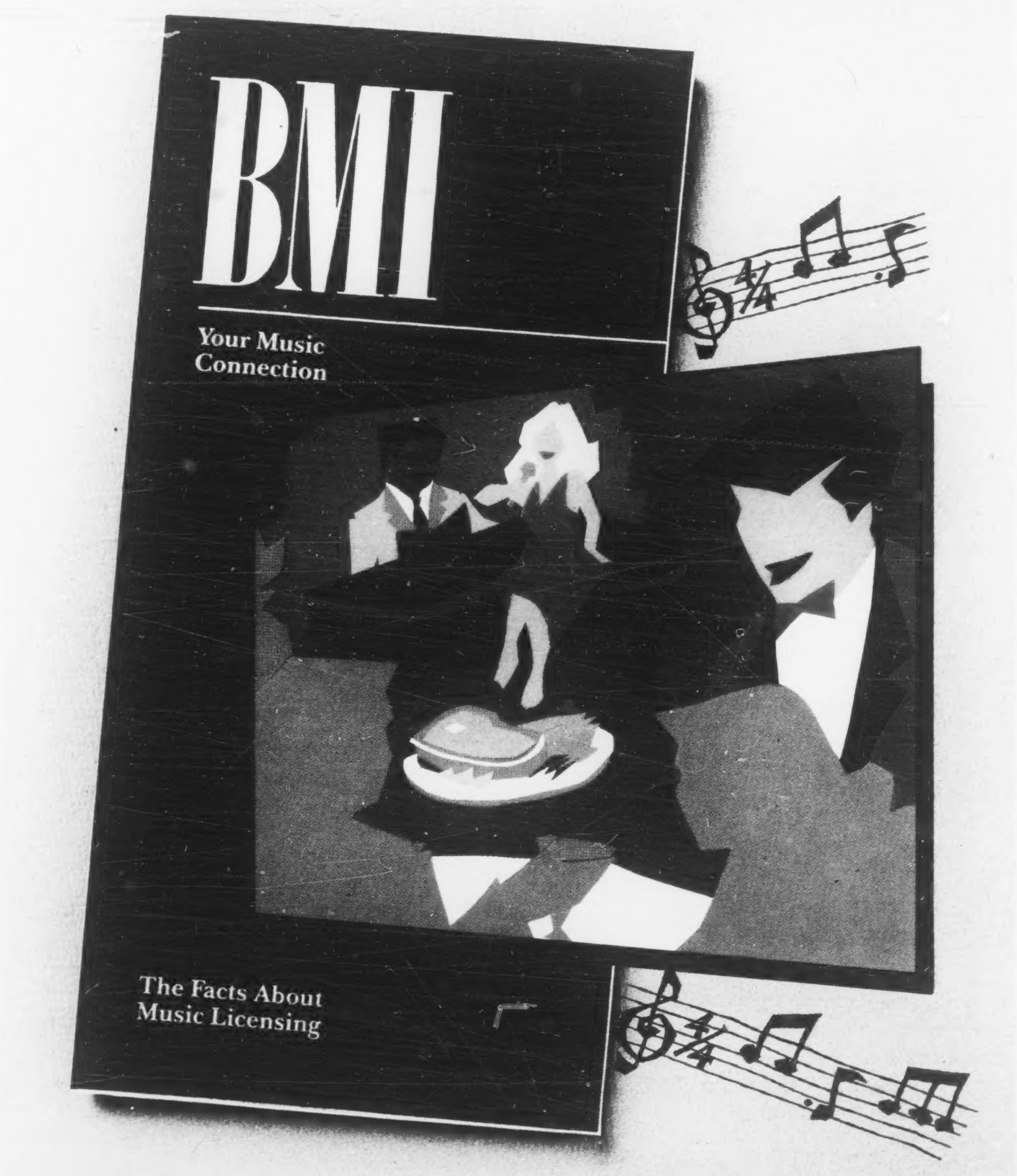
The major hotel chains are also copying freestanding foodservice facilities in an attempt to invigorate room service and banquet operations.

In an attempt to boost room-service sales, some Hyatt hotels recently began offering guests in-room meals of Oriental food packaged to look as if it came from a local Chinese restaurant. The program strives to provide customers with the same experiences they have at home when they order from a delivery place.

"We not only have the little cardboard boxes; we also put the boxes in a brown paper bag and staple a menu to it, just the way you get it from your local Chinese restaurant," Zadikoff notes. The meals are delivered to guests' rooms by room-service staffers.

Virtually all of the leading players have added pizzas to their room-service menus in an attempt to dissuade guests from having a pie delivered to

*(See **HOTELS**, page 129)*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Hotels look to R&D to boost F&B business

(Continued from page 110)

their room by Domino's.

To make the pizzas seem as if they were baked by an outside pizzeria and delivered to the hotel, the properties have given them authentic-sounding brand names. For instance, Hyatt sells Roberto's Pizza, while Radisson offers Napolizza — The Pizza With Pizzazz.

At Radisson the pies are delivered by staffers wearing uniforms like those worn by Domino's deliverymen.

Hotel banquet-and-catering operations are also emulating their freestanding competitors in an attempt to capture a greater share of that high-volume market.

Many are expanding their scope to handle off-premises catering as well as in-house events.

"The Hyatt Regency in Chicago has its own off-premises catering company called Regency Caterers, which caters events all over the city," Zadikoff remarks. "You see its trucks all over town."

The properties are also attempting to modernize their on-site banquets.

"We're trying to get away from the boring sit-down affair," Clawson says. "We're trying to animate it, to get people on their feet." Toward that end, he said, Radisson hotels are experimenting with various themes that foster activity.

"Twenty-five, 30 years ago, you were very conservative with your banquet menus," Hilton's Kleiser says. "You had roast beef or chicken or something standard like that.

"Today you want creative appetizers, creative soups and creative salads," he continues. "People want to be entertained by the food."

Banquets have been a source of revenue growth during an otherwise trying time for hotel food and beverage departments. Industrywide, a foodservice operation's contribution to a hotel's gross revenues was on the average 13 percent lower in 1988 than the figure for the preceding year, according to Laventhol & Horwath.

As a result, "there's an increasing tendency to lease out an F & B facility or bring in an outside operator who will manage the facility for a fee," says L & H's Patterson. "A lot of hotels find that it's more profitable to collect an 8-percent royalty under a lease arrangement than it is to run the operation themselves."

For instance, restaurateurs under management contracts operate the restaurants in 95 of the 99 Embassy Suites hotels.

In the same vein many lodging chains are striving to reduce the number of restaurants they put in their hotels.

"The trend is moving toward having fewer outlets but making them more functional, more versatile," Hyatt's Zadikoff says.

"If it's more important today, it's because making a profit from [guest] rooms is a greater struggle," explains Laventhol & Horwath's Patterson.

The typical hotel lost an average of $429 per room in 1988, according to Laventhol & Horwath's most recent annual study of the U.S. lodging market.

"It's no secret that 60 percent of the hotels in the U.S. are losing money," Hilton's Kleiser notes.

"Demand has been growing modestly, but supply has been growing vigorously," Patterson says. "There's a big imbalance."

Fortunately, he adds, "it appears that the growth has stabilized. Laventhol & Horwath anticipates an improvement in the industry's health in the next few years."

Salvador's owner achieves high goals

(Continued from page 18)

ing toward goals at the age of 13, when he took a job in one of his father's factories in Guadalajara. He opened his first restaurant there at 17.

He and his wife, Guadalupe, moved back to Chicago, where he was born, after the government nationalized his father's factories. They managed to buy some small businesses without the help of bank financing, build them into successful Mexican restaurants and then sell them profitably.

Huerta credits many of his early suppliers, who trusted him to pay his debts, with helping him succeed. His first meat supplier, who stuck with him during the hard times, now gets orders for thousands of pounds weekly.

Huerta has not built any restaurants with more than 150 seats. "We turn away customers rather than sacrifice quality and good service," he maintains. His fourth Salvador's, scheduled to open this fall in suburban Willowbrook, will have 120 seats in the dining room and 30 at the bar.

As Huerta has grown more successful, he has helped Mexican immigrants get ahead. After assisting his employees with the legalization process, he started helping them buy their first homes.

He gets much satisfaction from seeing a dishwasher become a manager, he says, as more of his countrymen realize their own dreams. And, as a practical businessman, he admits that his employees will take better care of his customers if they personally feel good about what they are doing.

Huerta recently got his recipe for the restaurants' Margarita mix bottled by one of the nation's major bottlers and distributed in several states. He says that he would like to see the mix distribution nationally by this time next year.

He says that the profits and name recognition he hopes to gain from sales of Salvador's Premium Margarita will allow him to develop Mexican restaurants in Europe, Canada and even the Orient. After several months of negotiations with a Swiss firm interested in becoming a limited partner in the European venture, he believes that dream also will come true.

> As Huerta has grown more successful, he has helped Mexican immigrants get ahead.

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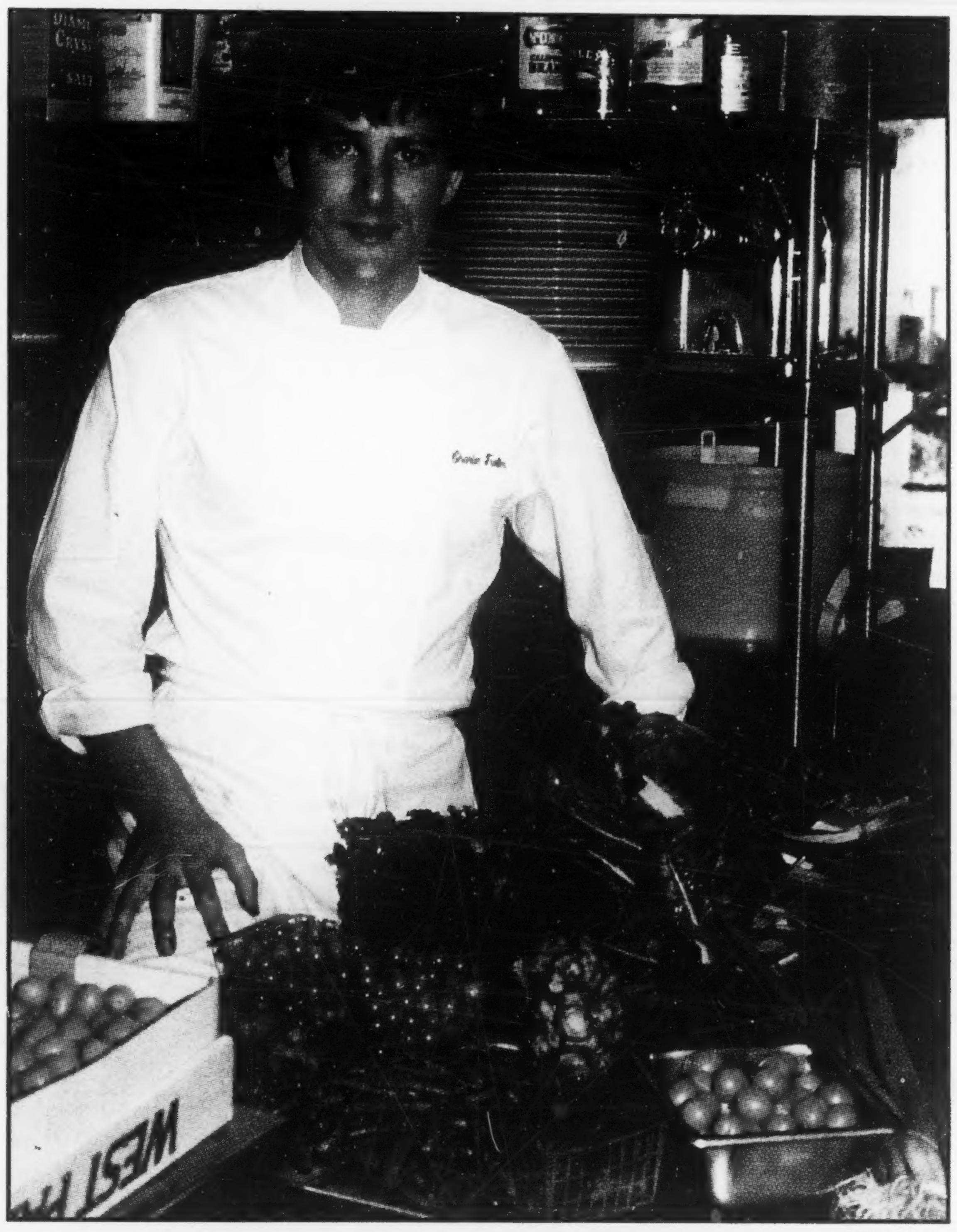


NRN Photo

Charlie Trotter, chef and co-owner of Charlie Trotter's, shows off some of the organic produce he uses in his restaurant.

Fine-dining operators turn to organic foods

Public concerns over nutrition, pollution outweigh higher costs for some chef-owners

by Carolyn Walkup

As nutritional concerns and a heightened sensitivity to the environment emerge as two of the most emotionally charged issues of the 1990s, a growing number of fine-dining operators are responding by turning to produce grown organically and meats from animals that were fed chemical-free diets.

Most proponents cite superior flavor and a concern for food safety as reasons for switching away from foods grown with synthetic fertilizers or pesticides.

Bern Laxer, owner of Bern's Steak House in Tampa, Fla., has been serving organic vegetables from his own garden for about 30 years. "It's healthier to eat," he said. "You know that you don't want to eat any pesticides or chemicals."

And, he added, "there is *no* question about flavor."

Peter Zimmer, chef at Jack's on Woodway in Houston, put it more bluntly: "We are getting sick of all the junk they are putting in our food."

A handful of operators, however, tend to take a more philosophical approach. One of the leading advocates of organic restaurant foods, Alice Waters of Chez Panisse in Berkeley, Calif., maintained that reasons to serve organic products go beyond nutrition and taste.

"It's a matter of saving this planet," she said. "It's important to buy things from people who are taking care of the land."

To be sure, chefs and restaurateurs are by no means of one mind where organically raised foods are concerned. Higher costs of organic products are a deterrent to some operations.

Costs, for instance, typi-

*(See **ORGANIC**, page 59)*

"Healthier" foods emerge as critical
Charles Bernstein/Page 23

Del Taco names BK exec to replace Armstrong

by Alan Liddle

COSTA MESA, Calif. — Former Burger King Corp. executive vice president Kevin K. Moriarty has been named president of Del Taco Inc., replacing Wayne W. Armstrong, the company's chief executive officer of nine years and the leader of a management buyout in January.

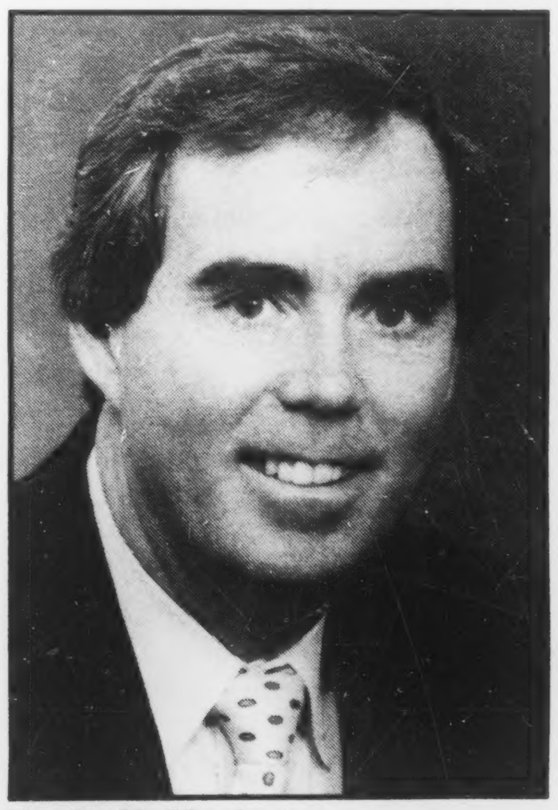
Officials of 339-unit Costa Mesa-based Del Taco, the nation's second-largest operator of Mexican fast-food restaurants behind Taco Bell, issued a statement saying Armstrong had resigned to "pursue other interests."

Armstrong could not be reached for comment, but sources familiar with the company indicated he had given up his interest in the chain, which operates or franchises Del Taco and Naugles restaurants in California, Arizona, Nevada, Illinois, Missouri and Utah.

"My blood started to boil with excitement," Moriarty, who most recently headed up Burger King's North Central and Western divisions, said of his reaction to the Del Taco concept. He said he had been unfamiliar with the concept before being approached about the president's job.

"The Mexican segment is healthy, the Del Taco brand is strong and the changes they

*(See **MORIARTY**, page 59)*



Kevin K. Moriarty

Waste not, want not

McD, ecology group team up for study on fast-food garbage

by Peter O. Keegan

WASHINGTON — In an unusual political alliance, McDonald's Corp. and the Environmental Defense Fund have formed a task force to explore solutions to the nation's growing solid-waste crisis.

"There are moments in time when even powerful opponents should sit down and talk," said EDF director Frederick Krupp at a press conference here. "Americans have set a new standard for environmentally ethical behavior for corporations as well as individuals."

"We've decided to join hands and work together," said Shelby Yastrow, McDonald's senior vice president and director of environmental affairs. "We're very serious about the environment and very serious about making this work."

EDF, which has a goal of recycling 50 percent of the nation's 160 million tons of yearly trash by 2000, is hoping to help McDonald's establish a "blueprint for the industry" by implementing waste management programs recommended by the task force.

The 10-member task force, spearheaded by Krupp

*(See **MCD**, page 58)*

McDonald's

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Vol. 24, No. 32 August 13, 1990

NEWS BRIEFS

Bush health official opposes mandated health insurance

WASHINGTON — In a fortunate turn of events for the foodservice industry, the Bush administration's top health official has declared his strong opposition to proposals that would require employers to provide every employee with medical insurance.

Louis Sullivan, U.S. Health and Human Services secretary, said he would not consider mandated health-insurance plans when he drafted his recommendations for making medical care more accessible to uninsured Americans. The White House will use Sullivan's directives to formulate a new health policy.

"By adding overly burdensome mandates on business, we could retard economic growth and constrict employment opportunities," Sullivan said in a speech in Atlanta. "Without job creation — or [possibly] job destruction — we could end up with more, rather than fewer, persons lacking health insurance."

The industry has wielded the same argument in its lobbying against mandated health benefits. The trade has also asserted that the high cost of insuring every staffer would force many places out of business.

Earlier this year, a blue-ribbon panel advised the federal government to adopt some sort of universal insurance plan as a means of extending coverage to an estimated 31 million unprotected Americans.

Bob Evans realigns, names Wood vice chairman

COLUMBUS, Ohio — Bob Wood, longtime head of the Bob Evans family restaurant chain, has relinquished day-to-day control of the operation to Victor Argobright, group vice president of restaurant operations.

Wood, formerly chief operating officer of the 243-unit restaurant division, moves up to the newly created post of vice chairman of its parent company, Bob Evans Farms Inc.

The changes were part of a management realignment that divided the company into seven separate operating groups each headed by a division vice president.

In lieu of the company's traditional three-prong operating alignment consisting of family restaurants, Owens Country Sausage and Bob Evans Farms Sausages, Bob Evans' will operate the following divisions: food products; restaurant operations; business development; real estate construction and engineering; marketing, purchasing and technical services; finance and administration; and corporate development.

The restructuring eliminates job duplications, a company representative said, noting no layoffs had occurred.

Judge, creditors approve Pizza Inn reorganization

DALLAS — A federal bankruptcy judge and creditors have approved Pizza Inn's plans for reorganization, thus ending its 10-month sojourn under Chapter 11 bankruptcy protection and paving the way for conversion into a new company dedicated to franchising restaurants and not operating them.

At the same time Pizza Inn has signed its first international and domestic master franchise agreements, a key component of the restructuring plan. Master franchisees, which share in the recruitment of new operators, receive an equal share of the company's royalties and fees.

Japanese franchisee Pacrim Pizza in Yokosuka, Japan — which operates the highest-volume units in the 425-restaurant chain — has signed an exclusive right to develop 20 restaurants in Japan and Thailand.

Mississippi franchisee Bob Singh has signed a similar area-developer agreement to open 12 units.

Parental leave veto holds up

WASHINGTON — Congress has failed to override President Bush's veto of legislation that would have required employers to grant staffers as many as 12 weeks of unpaid leave to deal with an ill or newborn family member.

However, several Democratic lawmakers have already vowed to revive the measure during the next session of Congress. And some have said they will turn the Republican party's rejection of the family-leave legislation into a campaign issue during this election year.

The foodservice industry has lobbied strenuously against the measure because it would have forced employers to recruit additional personnel from a drum-tight job market. In addition, the law would have required some employers to pay for two sets of health benefits: one for the employee on leave and one for his or her replacement.

Grand Met names foodservice head

LONDON — Grand Metropolitan has named Peter M. Thompson chief executive officer of its food-sector brands division, responsible for Pillsbury International, Häagen-Dazs and Grand Met Foodservice USA.

In Grand Met's corporate hierarchy, Thompson's appointment makes him equal in rank to Barry J. Gibbons, chief executive officer of the company's fast-food division, Burger King, said spokeswoman Mary Carroll.

Both executives report to Ian Martin, chairman and chief executive of the food sector and the highest-ranking Grand Met executive in the United States.

KFC opens unit on military base

FORT CAMPBELL, Ky. — Kentucky Fried Chicken has opened its first military base unit at Fort Campbell here.

The new, 5,000-square-foot restaurant is being operated by Bowling Green, Ky.-based franchisees Mabel and Larry Mays and Terry and Janet Rogers. The 121-seat outlet is offering chicken and other standard KFC fare to more than 30,000 military personnel stationed at the U.S. Army base as well as their families and other daily visitors.

Bingo debate delays Rank, Mecca merger

LONDON — The number of bingo parlors in London that will be owned and operated by the Rank Organisation after its proposed merger with Mecca Leisure has emerged as a potential stumbling block in the completion of the deal.

British regulators — specifically the Monopolies and Mergers Commission, the English version of the Federal Trade Commission — are reviewing an agreement by the Rank Organisation to resolve some anti-competitive features posed by its merger with Mecca.

Rank, which struck a deal for majority ownership of Mecca in early July, and Mecca are both major bingo hall operators in London. Mecca Leisure USA, a subsidiary of Mecca, operates scores of theme parks, restaurants and nightclubs from its Orlando, Fla., base.

The London investigation began after the Department of Trade and Industry questioned the near monopoly in bingo parlors Rank would operate after the merger.

Founders sell Monument Inn

HOUSTON — Dick and Glenna Tannenbaum, the husband-and-wife team that founded the Atchafalaya River Cafe chain, have sold their landmark Monument Inn restaurant to Ann and Bob Laws for nearly $1 million.

The Tannenbaums said they divested the 500-seat place to launch a new restaurant concept. Details were not disclosed.

Ann Laws was director of operations for the 5,000-square-foot Monument at the time of its sale. She first worked for the Tannenbaums as a waitress at an Atchafalaya Cafe in the mid-1980s. She rose to director of operations of the chain, which now has four units. The Tannenbaums sold the restaurants to the Laurenzo family in 1989.

Bob Laws previously owned Gala Catering Co., an off-premises catering concern.

FINANCIAL NEWS

7-Eleven's Japanese partners agree to revised takeover bid

by Milford Prewitt

DALLAS — The Southland Corp. and two large Japanese 7-Eleven franchisees have agreed on a new restructuring plan that will lead to the Japanese gaining the majority ownership of the largest convenience store chain operator.

Since an announcement in April that its Japanese partners would buy the company for $1 billion, Southland has been hammering out a plan to appease its bondholders and other investors who, in some cases, will lose more than 50 percent of their investment in the company.

Southland's soon-to-be parents, Ito-Yokado Co. Ltd. and Seven-Eleven Japan, have said they would bail the company out of its financial morass and acquire 70-percent ownership contingent upon the bondholders, bankers and other investors agreeing to the terms of a complicated exchange of bonds with lower maturity yields and accepting a new issue of stock.

The goal of the entire effort is to raise some needed cash to help the Southland Corp. — which is virtually on the brink of bankruptcy and which lost $1 billion in its fourth quarter ended March 30 — pay off $1.7 billion in debts. The company has yet to release its first-quarter results.

Much of the company's travails are linked to the Thompson family's $4.8 billion leveraged buyout in 1987, mostly financed by junk bonds, an equity source that has lost favor in recent months with investors.

More substantially, however, 7-Eleven has been pressured by a market saturated by too many stores and the success of gasoline operators selling convenience store merchandise and fast food.

Meanwhile, Southland announced that in an effort to preserve cash liquidity, it did not make a June 15 interest payment on other debt securities and that it does not intend to make a principal payment related to the leveraged buyout. The company said the banks that financed the leveraged buyout understand the company's decision for not making the payments.

> "Overall, holders of more than 70 percent of our senior reset notes have indicated their support of the revised terms."

Fast-food sales account for about 12 percent to 15 percent of unit sales in the convenience store segment. According to the NRN Top 100, 7-Eleven's average unit sales from fast food will hit $143,000 this year. In fact, the chain was ranked 100 on NRN's annual ranking of chains listed in descending order of sales per unit.

Although the key terms of the deal will remain intact — that is, the Japanese partners will become the majority owners of Southland with an immediate infusion of $430 million in cash for 70 percent of the stock — some aspects of the deal have changed since April.

Among the most significant revisions is that after the Japanese pump in their capital, bondholders and preferred shareholders will receive a total of approximately 25 percent of Southland's common stock and existing owners of the common shares will end up with approximately 5 percent of the company.

When the plan was announced in April, shareholders of common stock would have maintained 15-percent ownership of the company.

The reduced amount of common stock held by current investors will be effected by a 1-for-10 reverse stock split, which will lead into an even more elaborate bond swap affecting five different classes of junior and senior subordinated debentures.

At the top of the heap, investors who held the company's $1,000 senior bond at 13.5 percent interest, payable in 1995, will get a $475 bond, 86.5 percent shares of common stock and $57 in cash.

On the lower rungs, holders of the $1,000 junior subordinated bonds with principal amount due in 2004 will get a $257 bond, 4 percent of the preferred stock and 11 shares of common stock per bond.

Within those two ranges, the principal amounts of the bonds will descend in value although each class will be eligible to receive some percentage of both common and preferred stock.

The Securities and Exchange Commission has given the green light to the plan.

Craig Matthews, chief financial officer of Southland, expressed optimism that the bondholders would accept the revised restructuring plan.

"We are pleased that our negotiations with the bondholders committee have proceeded so well," Matthews said in a statement. "Overall, holders of more than 70 percent of our senior reset notes have indicated their support of the revised terms.

Ito-Yokado, one of the new Japanese owners, also owns 51 percent of Denny's Japan.

FOOD PRICE OUTLOOK

Green coffee prices move up

by Patt Patterson

It's a funny thing about **coffee**. Immediate prospects don't always impact the price the operator pays. At least, not immediately. The price of **green coffee** has just gone up a bit, and the futures prices have escalated.

There's doubt about how rains have affected Brazil's crop, how the low prices of the past year have affected production and whether the Brazilian government's new support for coffee producers will hold supplies off the market until prices raise. What moderates those influences on your price for roasted coffee is the large inventories most roasters maintain. It often takes three to six months for changes in the price of green beans to work their way down to the price per pound the operator pays for roasted coffee. But be warned: There may be increases in the future.

Expected hot-weather impact on **broiler** prices didn't occur. Prices are actually down from last year's at this time. Heavy production seems to be the reason, running from 5 percent to 6 percent above last summer's. **Pork** prices remain higher than last year's, even though slaughter has increased over the past month or so. **Beef** prices are expected to remain fairly stable for the next few weeks.

Canned tuna prices may be moving up. Catches have been down, and foreign producers, particularly Thailand, are considering price hikes based on higher raw-material costs. The **canned salmon** outlook is good. So far the **pink salmon** catch seems to be on target. The pack of **red salmon** is expected to be about the same as last year's, with possible price reductions as inventories increase.

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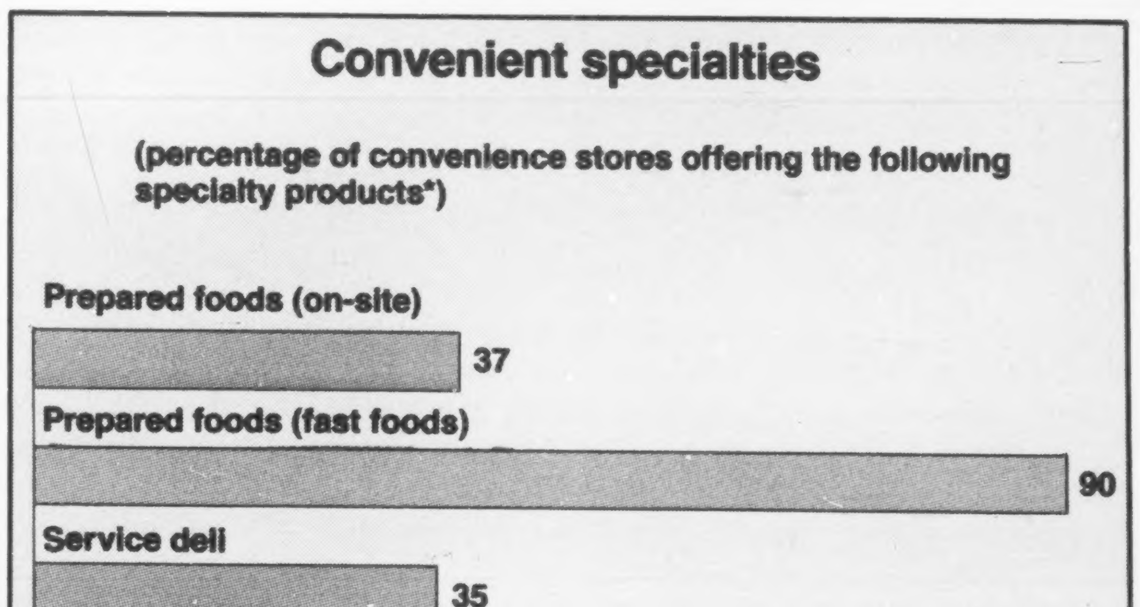

Convenient specialties

(percentage of convenience stores offering the following specialty products*)

* Total exceeds 100 percent due to multiple responses

Source: National Association of Convenience Stores

FINANCIAL DIGEST

Circle K loses $747.4 million in 4th Q

PHOENIX, Ariz. — Circle K, operating under Chapter 11 and embroiled in a costly restructuring program, lost $747.4 million in the fourth quarter ended April 30, on a 3-percent decline in revenues, to $907.1 million.

For the year the second-largest convenience store operator lost $772.9 million vs. a profit of $15.4 million for the preceding fiscal year. Revenues rose 7 percent, to $3.7 billion, for the same period.

The beleaguered company's losses included a reorganization and restructuring charge of $639.3 million.

Circle K has been straining under the load of more than $1.1 billion in debts — much of it low-grade junk bonds — it needed to fuel its aggressive chain expansion between 1983 and 1988.

The company operated 4,631 convenience stores at the end of the quarter. In 1983, before it started its expansion drive, Circle K operated 1,300 units.

McDonald's debt rating is raised

NEW YORK — Just days after McDonald's second-quarter results prompted a sell-off that some experts say sparked a 100-point drop in the Dow Jones industrial average, a major debt rating service has accorded the fast feeder's debt the second-highest status attainable.

Duff & Phelps Inc. said it has upgraded the credit rating on McDonald's long-term debt to AA + from AA.

Of the seven basic debt rating grades, the AA + is the second best, behind a triple A. Debt rating grades are used by investors and lenders as signposts of a company's ability to pay off and secure debts. In McDonald's case the rating affects more than $1 billion in senior debt.

"This rating reflects a number of strong qualitative and quantitative factors, heading the list is a relatively young management team which is very experienced and committed to maintaining the company's pre-eminent position in the restaurant industry," a D & P statement said. "Our rating recognizes the intensely competitive nature of the restaurant industry as well as McDonald's aggressive new store opening program."

Dairy Queen's 2nd-Q net climbs 10%

MINNEAPOLIS — International Dairy Queen said customer acceptance of its new, cholesterol-free frozen yogurt is partly responsible for a 12-percent gain in revenues, to $83.5 million, for the second quarter ended June 1.

During the same period net income rose 10 percent, to $7.9 million.

For the six-month period, revenues rose to $141.1 million, a 12-percent improvement over the figure for the year-ago period. Net income for the half-year mark increased 15 percent, to $12 million.

Approximately 2,700 restaurants in the 5,000-unit chain are offering the no-cholesterol yogurt product.